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SPD LEADERSHIP POSITION ON NEUTRON BOMB

Hamburg DER SPIEGEL in German 31 Aug 81 pp 23-26

[Text] The Social Democrats intend to steer a tougher course when it comes to conflict with Washington. Their motto: After Reagan's neutron bombshell, Bonn is going to have to go its "own national way."

Top Social Democratic leaders have been working for months to damp down the growing mistrust of America's new government at the grass-roots level. They have been lecturing their comrades that, despite all the irritations, Bonn must maintain strict solidarity within the alliance and nurture carefully its good relations with Washington.

The SPD leadership has been singing a different tune of late: German national interests should take precedence.

The party's head office is claiming as mentor for the new theme its man at the chancellery: The Friday before last, Helmut Schmidt had exhorted "all those who bear responsibility in German politics not to commit themselves unilaterally to the decisions of another government." Said the chancellor: "The interests of one's own people and one's own state — that is the standard by which one must be guided."

U.S. President Ronald Reagan gave the final push to the about-face with his decision to build the neutron bomb, a decision that threatens to accelerate the arms race at a time when the Germans in particular are pushing for an early beginning to U.S.-Soviet missile negotiations.

"The Americans have treated us like serfs," railed Willy Brandt, "like creatures that can be dealt with like that." Said the SPD chairman: "A nation that doesn't assert its views emphatically and with dignity cannot expect to be respected by others."

Singing the same song was SPD President Hans Koschnick. Bremen's mayor came up with this response to U.S. Defense Minister Caspar Weinberger's comment to the effect that it lies within Washington's discretion to equip U.S. troops in the Federal Republic — including providing them with neutron weapons: "They ought to do that three more times; then everyone here as well would recognize that the Americans intend to treat us like the Askaris."

Egon Bahr, the Bundestag parliamentary group's disarmament representative, added this comment: "If America is the one to decide what its interests require, we are the ones to decide what our interests require."

And last Thursday the official SPD press service came out with a commentary in which Bavarian State Chairman Helmut Rothemund expresses doubts about the "consensus on peace and defense" with the United States. Said Rothemund: "Today it looks more as though the Federal Republic and its West European neighbors are compelled to carry on negotiations with the United States as much as with the Eastern bloc."

The German comrades did not learn until recently the extent to which they have been left to their own resources. In a meeting with his friend Brandt, Socialist President Francois Mitterand made it unmistakably clear that France the nuclear power presently puts the Western arms buildup ahead of disarmament negotiations. The fact that the Federal Republic has to shoulder the main burden of a possible war by serving as the battlefield is the regrettable consequence of having lost the war.

In an internal strategy paper, the party's leading thinkers have already developed ideas on the "Germans' own way." It is true that the SPD strategists are also aware that the Federal Republic, as a nonnuclear power situated at the boundary line between the blocs, has but little elbowroom for an autonomous national security policy.

Nevertheless, the inclination is growing among leading Social Democrats to risk conflict with the premier Western power, if necessary, in defense of the vital German interest in arms control and detente. Hans Koschnick can "imagine that our influence can then be greater once there has been trouble in the alliance because of us."

Meanwhile, it is true that the evidence tends to suggest that Ronald Reagan is not going to be particularly impressed with Bonn's exercises in sovereignty alone. The party faithful figure that in the medium term, however, the U.S. President will have to soften his policy of strength — at the latest, by the time the American voters become aware of the contradiction between a costly arms buildup and cuts in social programs.

Proof that Helmut Schmidt is also prepared to assert national interests against American demands was supplied by the chancellor at the world economic summit in Ottawa: He strictly rejected Reagan's objections to the German-Soviet natural gas deal.

To be sure, a confidant of the chancellor rules out the notion that Schmidt will allow his party to force him into the "corset of an own-way ideology": "The man will stand firm if the Americans should seek to steamroll our interests, but only so long as that fact is not advertised. Otherwise he will lose his credibility and be written off over there as a puppet of the SPD's left wing."

Meanwhile, however, his party associates — and not only from the left wing — are already busy with their advertising; not least because they hope public opposition will give them a domestic political advantage. According to the analysis by the SPD head office, the effect of Reagan's neutron bombshell has worked its way deep within the middle-class camp.

Resistance is said to be so strong in the FDP that even Chairman Hans-Dietrich Genscher cannot see his way clear to defending the President's solitary neutron decision. FDP spokesman Herbert Schmuening even made it known that the party's already shaky support for the NATO two-part resolution would be untenable in the event that Washington intended to deploy the neutron bomb in the Federal Republic.

The Social Democrats also believe they could put the Union leadership on the spot with their course of conflict with Reagan. This is because the unconditional approval of arms modernization and neutron bomb on the part of the CDU/CSU leaders is not supported by a substantial number of their clientele. Public opinion surveys have revealed the following facts about Union voters:

More than 50 percent think "that it would be better for world peace if the United States and the USSR were equal in strength";

A total of 61 percent want "to negotiate immediately and not modernize armaments";

And in any event, 30 percent agree with the theory that the West could even afford lengthy negotiations without modernizing its arsenal, since it is "strong enough as it is."

The SPD analysts sum up their position in this way: "CDU/CSU voters think differently than Kohl and Strauss. They want to go their own way, the German way, which does not consist in copying American and British models."

But the comrades are hoping for political gains not only from the right. Reagan's neutron bomb also provides them with a welcome opportunity to mollify those leftist critics on the fringe of the SPD and in the peace movement who have been reproaching the party with complicity with the Americans ever since the yes-vote on the two-part NATO resolution.

At the "Peace Forum" at Bonn's Erich Ollenhauer House last Thursday, Egon Bahr did indeed seek the understanding of the pacifists for the fact that the SPD has to hold to the dual resolution as the sole guarantee of getting the two superpowers to negotiate on arms control. Bahr nevertheless made this point clear: "The SPD intends to stay with its no-vote on the neutron bomb in 1982 as well."

Willy Brandt plans shortly to endorse in the name of the party the rejection by Bahr.

The Reagan critics believe they have a clear indication that the chancellor will not adopt a contrary position. Following a visit to Brahmsee, Egon Bahr reported to his party associates that Helmut Schmidt had in private gone a step further with his public remark that deployment of the neutron bomb on German soil was "not at all acute at present."

Said the chancellor, according to Bahr: "And we'll get rid of that 'at present', too."

7458

CSO: 3103/419

DATTELN PEACE MOVEMENT RIVALS KREFELD APPEAL

Hamburg DER SPIEGEL in German 31 Aug 81 pp 26-27

[Text] As a counterweight to Krefeld, there is the Datteln appeal. Socialists from the mining district are allied here with Strauss's cronies.

Conservative newspapers were coming out with something new: They were touting a peace initiative.

A "venture to counter Moscow's propaganda trick," praised the MUENCHENER MERKUR. The policy of "restraint and responsibility" is deserving of support, wrote the FRANKFURTER ALLGEMEINE. The RHEINISCHE POST crowed that the "Krefeld Appeal, which was apparently concocted in the Soviet Union, has been answered."

The encomiums were meant for the "Citizens for Peace in Freedom" campaign, an initiative designed to lead the disarmament debate back "to the realities in the world" and to be a "mouthpiece for the silent majority among the people."

It was a Social Democrat from the coal mining district who "had been bothered for a long time" that the talk was always only about the Krefeld Appeal. He is Rudolf Pezely, 49, head district director in Recklinghausen. Following a demonstration by leftists early in July in front of the Haardt Barracks in Datteln, he arrived at this decision: "Now we're going to have to do something about it."

And he promptly found partners for peace: a CDU member, a professor, a miner and a banker. Together they drafted the "nonpartisan" Datteln appeal -- more of a defense policy in cliches than a pacifist program.

"We want the Federal Republic of Germany to continue to be a free and independent state in the future," write the seekers after peace. They complain that NATO lacks "weapons equivalent" to those of the Soviet Union. The Datteln partners are "in favor of disarmament, but not just unilaterally on our part." And: "Together with the NATO allies, our Bundeswehr [Federal Armed Forces] has been safeguarding the peace for us" -- for 35 years.

Pezely is "no military expert," but he knows "full well" that the East has too many missiles. He has seen films of Soviet maneuvers at NATO headquarters in Brussels,

and in conversation he sometimes supports his theories with Golo Mann's responses in NOERZU. He also has an opinion on the neutron bomb: "An important deterrent."

Pezely's Datteln peace corps is growing. The new movement has an especially large number of supporters among the Reds in the mining district and the Blacks in Bavaria. A good two-thirds of the 60 members of the Bavarian Senat (a group of representatives of public bodies, which functions as a kind of second chamber alongside the state legislature and expresses opinions on legislative proposals) signed the appeal. And nearly all the SPD mayors from the mining district are standing behind Datteln.

Former Bavarian FGB regional chairman Willi Rothe (SPD) is lined up right beside CSU regional governor Franz Xaver Frey. Kurt Biedenkopf of the CDU stands with North Rhine-Westphalian Justice Minister Inge Donnepf of the SPD; Peter Reuschenbach, SPD, is beside Juergen Moellemann, FDP.

They no longer look at parties, but only at friends of peace — just as long as they are noncommunist. The alliance ranges from SPD district prince Hermann Heinemann of Dortmund to Strauss crony Hans Weiss of the CSU, mayor of Bad Kissingen.

The alliance seems a strange one to many a top SPD comrade. An "uncommon alliance" is the cautious observation by North Rhine-Westphalian Minister-President Johannes Rau. But no one wants to really cast aspersions.

The comrades in Bonn are nonplused by the all-party coalition. "The whole Ruhr Mafia is assembled there," says a leading socialist from the Rhine area. Though SPD Federal Executive Director Peter Glotz considers any "involvement in the politics of peace worthy of support," he says that this "very broad alliance" hovers "far above the current political debate."

Meanwhile, there are 15,000 people hovering up there. Pezely intends to have collected more than 2 million signatures by fall, nearly twice as many as the "Krefeld Appeal engineered by Moscow."

The working men in the district do not take seriously the Bielefeld appeal, the rival initiative started by the party's left wing. It is enough for them that the Bielefelders sat down at the same table with the Krefelders. After all, the new pacifism has not been of much consequence between Duisburg and Dortmund. The subject of the working world determines the topic of conversation, and when it comes to peace, the miners would rather line up behind Datteln's big peace coalition rather than those of Hansen and Coppik.

Fitting into this picture is the mayor of Datteln, who had been one of the first to sign "as a matter of course": Horst Niggemeier, union member, editor-in-chief of MINNEIT, the Mineworkers Union newspaper, and influential comrade on the SPD's home turf. Niggemeier had formerly been an opponent of rearmament but is now a major in the air force reserves and also likes to write for the technical journal TRUPPEN-MAKIS.

His city of 37,000 residents is on the best of terms with those in uniform: It has taken over sponsorship of the minesweeper "Mars" and the River Engineers Company 800 at Neuwied; and once a year the council holds a public session at the barracks.

Whenever the opportunity arises, Niggemeier evokes an "able-bodied social democracy" and warns against "falling under the wheels" of a "communist tyranny"; he has been sending to the comrades pertinent excerpts from the report by the Federal Office for Protection of the Constitution. And Herbert Wehner, as in July, has been distributing Niggemeier's analyses to the parliamentary group so that his views "on arms policy issues" become "known to all."

While Niggemeier's responsibility runs more to matters of policy, someone else is collecting the signatures. Helmut Marmulla, a socialist and former miner who rose as far as the position of regional governor of Recklinghausen, is drumming up support for Datteln even in his neighborhood pub, the "Summer" bar. "Sock it to those leftist nuts," he exhorts the miners. "In my local association I'll get 95 percent for the NATO counterresolution," boasts Marmulla.

A lot of prominent people are already in the peace club and are willing to comment on their signatures. Many a remark is brief: CSU member Josef Stingl, president of the Federal Labor Office, warns of "unilateral disarmament concessions"; some are more lengthy: Walther Leisler Kiep tells the Dattelners a little about his most recent travels to the United States.

He reported that the Americans "are appreciating less and less the arms modernization debate that's taking place in the Federal Republic." Kurt Biedenkopf knows how to calm the Americans' fears on that score — he says "the popular majority" is making itself heard in Datteln.

Heinz Volland, a retired colonel, is inclined to bring in the entire Bundeswehr. The head of the German Bundeswehr Association promised he would use "all available means" to recruit at least his 250,000 members for the Datteln "testimonial to the service of peace."

Even a prominent citizen of Krefeld who had felt ashamed "every day" over the peace appeal initiated in his city last fall can take part in this initiative. Krefeld Chief Mayor Hansheinz Hauser (CDU) signed the appeal last week.

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LABOR'S PEACE MOVEMENT TO RIVAL KREFELD, DATTELN APPEALS

Frankfurt FRANKFURTER ALLGEMEINE in German 22 Aug 81 p 3

[Article by Georg Paul Hefty: "Three Appeals for Peace — An Initiative by the DGB Executive Board As Competition for the Krefeld and Datteln Appeals"]

[Text] The German Trade Union Federation intends to prove its involvement on the side of peace and also that it is the largest peace movement in the country. Starting on 1 September, the day the unions have celebrated as "Antiwar Day" since the 1950's, the invitation will go out to sign a DGB appeal. The DGB Federal Executive Board will thus be offering something of its own to rival the "Krefeld Appeal," which has also been popular with union members and officials. And then there is the "Datteln Peace Appeal," which trade unionists have also signed.

The Krefeld Appeal, which is said to carry about 1 million signatures at this time, took advantage of the dissatisfaction of many young people and the negative attitude of numerous older union members toward NATO. For example, union opponents and supporters of the Krefeld Appeal engaged in vigorous dispute in the journal put out by the postal union. And shortly after the Mining and Energy Union's newspaper had pointed out communist influences in the Krefeld Appeal, members of all three Bundestag parties and the DGB had composed the Datteln Peace Appeal, which was designed to support the government's position. Although there was not what one could call a rush to fill this appeal's signature sheets, the DGB Executive Board member responsible for youth affairs, Schwab, recognized an impending split with regard to an essential issue: Quite a few young and leftist members are allying themselves with the leftwing Krefeld Appeal, while a minority stands by the Datteln Appeal.

The DGB Federal Executive Board consequently decided during the first half of August to use the declarations from its March 1981 policy program on the subject of peace as a counterappeal to the other two. The result is one of the appeal's shortcomings: The program declarations are biased. The very description of the concept of peace is introduced with a sentence beginning "Labor knows." The social limitation that marks the text makes it difficult for outsiders to go along with it. So Schwab is expecting that union members will be the only ones to sign, but he anticipates that a good 25 percent of the 7.8 million members will allow their names to be used.

A comparison of the concept of peace in the three appeals is useful. That of the DGB first identifies five connotations of peace: It makes possible the elimination

of misery throughout the world, creation of a decent society, realization of the right of self-determination, evolvment of fundamental human rights and accomplishment of the union mission. The demand "that peace policy take precedence over all other political tasks" is thus not directed toward peace at any price.

The Krefeld Appeal disregards the makeup of peace. Neither the word peace nor the word freedom appears in the text; only the "most recent trend" is mentioned. It is thus not clear how it is that the supporters of the Krefeld Appeal come to call it a peace movement. The Datteln Appeal, on the other hand, espouses the cause of "peace in freedom" in the first line, a peace that "our Bundeswehr [Federal Armed Forces] is securing for us together with the NATO allies."

The Datteln Appeal mentions the Bundeswehr in connection with safeguarding peace and calls it the guarantor of a life "of peace and freedom" that has lasted "for more than 35 years." Those who have signed it are "in favor of peaceful coexistence by all nations" and disarmament, "but in a balanced fashion in East and West, not just unilaterally on our part." They see "a threat to our country" in the positioning of Soviet SS-20 missiles aimed at Western Europe. The solution lies in the Soviets' taking the "opportunity to withdraw their new atomic missiles that threaten us." The striking thing is that the authors of the appeal neither condemn the production of the SS-20's nor specify the scale of the withdrawal, while nevertheless noting that "if this happens, NATO will not need to modernize its missiles."

The DGB appeal comes out in favor of detente, as does the Datteln Appeal. The occupation of Afghanistan is censured in both texts, but the trade unionists also bring into play the failure to ratify the SALT II agreements — as do the authors of the Krefeld Appeal. This sentence is worthy of note: "The German Trade Union Federation resolutely condemns the notion of a limitable atomic war that would threaten all human existence." This line is also to be found in the Krefeld Appeal. The DGB thus permits the interpretation that the United States has been speculating on a limited atomic war in Europe. The text goes on in this vein: "A continued arms race does not make the military risk more calculable."

What is the position of all three appeals with regard to the government's policy? The Krefeld Appeal is directed against the two-part NATO decision in which the Bonn government concurred, and it accepts the possibility of the fall of the Schmidt/Genscher cabinet with its unconditional demand that "approval for the stationing of Pershing II missiles and cruise missiles in Central Europe be withdrawn."

The Datteln Appeal also contains reservations with respect to the government's policy. Its advocacy "of negotiations on arms control and disarmament between East and West" is therefore of little help to Schmidt because it leaves open the question of what would constitute success and what would happen following a failure of negotiations. The statements on withdrawal and positioning of the SS-20's even allow acceptance of the idea of moving them back as far as the Urals or acquiescence to the Brezhnev proposal providing for a moratorium on the deployment of Soviet medium-range missiles but not on their production.

The DGB's appeal for "peace through disarmament" comes closest to the government's policy. It demands that the superpowers "open negotiations on arms limitations and disarmament without delay" — a position that is certainly in line with Schmidt's

intentions. It demands of the government and the Bundestag merely that they "use all their powers to bring about an early beginning of such negotiations." The goal must be that of "forgoing the emplacement of additional medium-range missiles in Europe, halting the production of atomic weapons and dismantling the medium-range missiles that have already been put in place." Although the last demand does represent a means for assessing the success of negotiations, the DGB appeal neither adopts the deadline set by the two-part NATO resolution for negotiations and the start of possible disarmament (1983), nor does it draw any kind of conclusions from a breakdown of negotiations. It does, however, mention the goal of banning "atomic weapons and other means of annihilation, as well as new weapons technologies."

If 2 million signatures are truly going to be affixed to this appeal, this fact would have to be noteworthy for the union-oriented majority of the delegates to the upcoming SPD Party Congress, which intends to debate once again the questions of missile modernization and the "new weapons technology" of the neutron bomb.

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COLUMNIST ASSAILS 'PEACE' STAND OF KOSCHNICK, RONNEBURGER

Bonn DIE WELT in German 21 Aug 81 p 2

[Article by Enno v. Loewenstern: "Koschnick and Ronneburger--Not Aligned"]

[Text] The phenomenon of today's "peace" (say disarmament) movement compared to the antinuclear marches of the 1950's is the fact that reliable, active politicians of the coalition government are participating. Of course, they are not joining in the vulgar, biased slogans of the demonstrators. They know how to argue around the topic very subtly; it was demonstrated by Bahr in VORWAERTS; Koschnick and Ronneburger followed with remarkable skill.

"There is no alignment here, no direction, no matter from which side," Ronneburger appeals to the we-are-again-somebody instinct of German nationalism, as if the existing alliance were based on submission to the American will and not on the free, rational decision of the majority in this country.

Startling, however, is the alignment of the opponents. On one and the same day, for instance, one finds out that Bremen's SPD Mayor Koschnick and Kiel's FDP Deputy Ronneburger do not want to stab the chancellor in the back by any means; oh no, "I feel obligated to assist the Federal Government in its stabilization effort to keep it from succumbing to pressure from Americans" (Koschnick); "I believe that the Federal Government...can actually be strengthened through this kind of expression of opinion" (Ronneburger).

The chancellor will certainly not be receptive. Are these two people talking about the same Helmut Schmidt, who in 1978 was still urging Carter to build the neutron weapon? Since then, as far as can be ascertained, there have been no changes in the Soviet superiority of tanks nor in Schmidt's assessment of the same. If he needs help in his stabilization efforts, it should be directed against the disarmament campaign by the Soviets.

Bahr, however, is using a newspaper article to show that the neutron weapon is superfluous, because already in 1973 the Israelis had destroyed 1,200 Syrian tanks on the Golan Heights. The Bundeswehr has 100,000 conventional weapons that are effective against tanks; it does not need any neutron weapons.

But it is strange that in 1978 Schmidt did not apply the lesson of 1973. It is strange that Leber, the expert, is still supporting the neutron weapon. Every

weapon's technician knows that the effect and consequently the deterrent effect--the effect of preventing war--of the neutron weapon is incomparably greater than is the case with even highly precise conventional weapons. Incidentally, Koschnick admits: From the viewpoint of military technology one could arrive at Leber's opinion; "but that is not my viewpoint."

What is it? "Like many people and, incidentally, also segments of the Bundeswehr, I am concerned that the building of the neutron weapon will set in motion a new rearmament wave."

Why, however, was he not concerned--or, at any rate, never expressed any concern--when the Soviets built their masses of tanks? Bahr and SPD Deputy Scheer fear that disarmament talks could be endangered when the West meets the Soviet rearmament with counterarming. The problem would naturally be solved if we disarmed unilaterally. But that is only proposed by street demonstrators. Politicians with more responsibility avoid such plump candor.

No doubt, even in moderate circles a certain "fear" has taken hold in the meantime. It was articulated extraordinarily during the Hamburg Church Convention. Consequently, people are joining the wave of fear; whatever factual information is presented, "is not my viewpoint." Nevertheless, how is it that this "fear" is not felt in France, that Mitterrand is not pressured to retreat in civilian or military areas; that, on the contrary, in France demonstrators are even hitting the streets in support of nuclear-energy plants?

Apparently, over the years French politicians have met their obligation to inform the people; they did not talk about Kant's categorical imperatives but they acted accordingly. Thus, French discussion signifies Cartesian logic, German discussion is mystic agitation. Those who are exploiting this situation may conclude with their kind of logic: Anyway, we are out in front; but what happened to the rational Georg Leber? Nevertheless, they should not claim that it has anything to do with pertinent reasons against counterarming, because they do not represent their point of view.

8991

CSO: 3103/424

POLL: SEVENTY PERCENT OPPOSE NATO TNF DEPLOYMENT

PM281059 Oslo ARBEIDERBLADET in Norwegian 26 Aug 81 p 7

[Unattributed report: "Seventy Percent Opposed to New Nuclear Arms"]

[Text] Seven out of every 10 Norwegians are opposed to NATO implementation of its 1979 decision to deploy 572 new nuclear missiles in Western Europe. Four out of every five are opposed to the possibility that Norway or our allies could make use of nuclear arms in the defense of Norway in a war situation. A majority in the Norwegian population is in favor of the proposal to establish a nuclear-free zone in the Nordic countries enshrined in a formal treaty.

These are the results of an opinion poll carried out by the Norwegian Opinion Research Institute for the Socialist Left Party's weekly newspaper NY TID.

Seventy-one percent of those interviewed thought that it would be best not to deploy the new medium-range missiles in West Europe, while 21 percent replied that the missiles should be deployed as planned. Eight percent did not know.

Opposition to deployment was strongest among women. While 79 percent of the women in the sample were opposed to deployment, the percentage among men was only 63.

A total of 74 percent of those interviewed were opposed to the idea of defending Norwegian territory with nuclear arms in a war situation. Seventeen percent were in favor of either Norway or our allies being able to use nuclear arms in the defense of the country, while 8 percent answered "don't know."

Here, too, opposition was greatest among the women interviewed. Seventy-nine percent of women but only 69 percent of men were against.

Fifty-three percent of those interviewed said that they supported the proposal that Norway, Sweden, Denmark and Finland should establish a nuclear-free zone--with guarantees from the nuclear powers not to use or threaten to use nuclear arms against the countries in the zone. Twenty-eight percent were opposed to the proposal, while 19 percent were "don't knows."

According to the opinion poll a majority of Conservative Party voters also favor a nuclear-free zone in the Nordic countries. Forty-five percent of Conservative Party voters supported the proposal, 38 percent were against, and 17 percent did not know.

A total of 90 percent of Labor Party voters thought that the medium-range missiles should not be deployed in West Europe, while a majority of Conservative Party voters supported deployment.

BRIEFS

LIGNITE PRODUCTION--President Uluşu, saying that increasing energy production was the number one problem in completing economic development, indicated that consequently, thermal and hydroelectric power station construction had been accelerated. President Uluşu added that lignite production would be raised to 180 million tons per year from the present 18 million tons. In this regard, the president said the following: "Our known lignite reserves are 7 billion tons. In the event it were fully developed, production could reach 180 million tons per year. (The 1981 program calls for 18.5 million tons). One finds indications of lignite, asphaltite and peat in just about every part of our country. Our known lignite resources are in a very appropriate position for our electrical power stations. In connection with our lignite, it is essential that we apply such technologies as enrichment, gassification and liquifaction, which are being developed in the world today. The most economical and realistic source of energy for our country is our hydroelectric energy. According to information on hand, our hydroelectric potential is in the area of 100 billion kWh per year. Our indispensable goal is the development of our resources in the most rapid possible manner." [Text] [Istanbul MILLI GAZETE in Turkish 24 Aug 81 p 7]

THORIUM DEPOSITS--Mining and Exploration Institute [MTA] experts carrying out drilling and exploration work in the Marmara region have found rich thorium ore deposits in Balıkesir [Province]. MTA officials, stated that thorium ore deposits had been found inside the Balıkesir provincial boundaries. They stated that thorium deposits had been found in Denizli, Eskisehir, Kizilirmak and its environs and in the Balıkesir [town] area. [Text] [Istanbul MILLI GAZETE in Turkish 24 Aug 81 p 7]

CSO: 4654/152

SHORTAGE OF TRAINEE POSITIONS PERSISTS

Bonn DIE WELT in German 27 Aug 81 p 4

[Article by Peter Weertz: "DIW: To Be Sure, There Are More--But Still Not Enough Trainee Positions"]

[Text] Berlin--To be Sure, the number of trainee positions has increased significantly since 1977, but in spite of the efforts by industry, skilled trades, commerce, the state and the service industry, there is still a shortage of trainee positions. According to information released by the German Institute for Economic Research (DIW) in Berlin, the number of trainee positions has increased from 1.39 to 1.7 million--in part because of pressure from the large number of young people from years of high birthrates entering the labor force right now--but the deficit of trainee positions in 1980 was still 56,000 (in 1978: 82,000).

According to DIW calculations, in 1980 the supply of trainee positions exceeded the demand by 4.2 percent. But this surplus presents a wrong picture because the Education and Training Act prescribes a supply that exceeds the demand by at least 12.5 percent.

According to the institute the next few years will see a decrease in the demand because of low-birthrate years; nevertheless, it feels that the supply should remain at the present level to provide a greater choice and better opportunities for disadvantaged groups and to compensate for regional differences. Furthermore, the calculations did not include "unregistered inquirers" for jobs, whose number was estimated at approximately 72,000 for 1979.

The DIW is also concerned about the vocational choices by those leaving school. They are concentrated on popular occupations like auto mechanics, electricians and plumbers for boys as well as receptionists, salespersons or hairdressers for girls.

Skilled trades are training 41 percent of all apprentices, industry and commerce 46 percent and independent occupations 7 percent. In spite of changes in the perception of roles, there is still a separation between "male and female" trainee positions. It is necessary to introduce more freedom of choice, to eliminate restrictive regulations and social prejudices.

In the view of Mathias Rick, director of the Federal Institute for Vocational Training, foreign youths frequently fail the entrance examinations which, as a rule, are based on language skills. Rick asked companies to dispense with these tests for foreign applicants.

FINANCE MINISTER WARNS WELFARE COSTS TO INCREASE BUDGET

Helsinki UUSI SUOMI in Finnish 6 Aug 81 p 7

[Article by Timo Lipponen: "Forceful Increase in Social Expenditures"]

[Text] Lappeenranta--In markkas costs incurred by the Social and Health Ministry will be the biggest factor in increasing next year's state budget, noted Finance Minister Ahti Pekkala at a meeting of the Center Party Diet faction, which concluded yesterday in Lappeenranta.

"The costs of managing the state debt, which are expected to be around 65 billion markkas, represent an ever growing money hole in the budget," stated Pekkala.

Child support for families with two children in accordance with the strictly promoted policy of Minister Katri-Helena Eskelinen will continue to be the black hole in social expenditures.

In its public statement the Center Party demanded that "special attention" must be given in the budget to improving the position of young couples and couples with children.

This can be accomplished by increasing the child subsidy, by expanding support for home care by means of creating day care services, and by granting tax breaks, demands the Center Party.

Health Center Payments Must Be Returned

Chairman Paavo Vayrynen pointed out on Wednesday that in the near future just as much money should be granted to the support of home care as for local day care centers.

Katri-Helena Eskelinen followed Vayrynen's lead by noting that the parties approved the principle of equal development in the report on family policy. The Center Party demands that health center payments be returned. At the present time health services do not satisfy either the state or those in need of them.

A Tight Center Party

Nevertheless, the Center Party is demanding a tight budget for next year. The amount of loans to be taken out should not be increased and taxes should not be tightened. However, the prevention of unemployment must be selected as a point of emphasis.

"All Finns have a unanimous understanding with respect to the maintenance of employment," believes Finance Minister Pekkala.

"No one believes in the magic of increasing taxes anymore. In the middle of the 1970's this measure only succeeded in doubling the number of unemployed," stated Pekkala.

"Finnish Peoples Democratic League Changing Its Policy"

Chairman Vayrynen suspected that the People's Democrats are changing their policy line in the government. By this he referred primarily to Labor Minister Jouko Kajanoja's statement that caused such a fuss.

"The budget must, however, support economic and employment development," he pointed out.

"Kajanoja's line cannot be accomplished in practice," he continued.

Interior Minister Eino Uusitalo continued by warning the leftwing that "if an attempt is made to reject the sales tax relief for industry, we will interpret this as an attempt to dissolve the government".

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CSO: 3107/120

EFFECTS OF POLITICS ON TRADE WEIGHED, PROJECTED

Paris LE NOUVEL ECONOMISTE in French 24 Aug 81 pp 28-30

[Article by Alain Jemain]

[Text] It's useless to export if just to accumulate unpaid bills. At a time when COFACE [French Insurance Company for Foreign Trade] is posting a record deficit, French firms are discovering political risk studies out of necessity. A good method must still be found.

Iran, Turkey, Colombia, Zaire and several other African, South American and South-east Asian countries have cost COFACE 7.6 billion francs in the last 2 years. Its overall operating deficit, covered by the Treasury, will reach its highest level since the war during that same period--2.5 billion francs.

The victim of monetary disorder and the geographic fragility of our exports, 30 percent of which go outside Europe, the United States and Japan, this very costly "bill" is likely to increase in coming years. The office of Michel Jobert, minister of foreign trade, estimates that the invoice to be paid for the Iranian "disaster" will range from 6.5 to 10 billion francs. Also in the sights are Poland and Romania. French bankers and industrialists are carefully studying the power struggle going on between the head of the Polish government, Stanislas Kania, and the Solidarity labor union. It is said that Warsaw owes them close to 13.2 billion francs (the most after FRG), out of a total debt of about 160 billion francs. Mr Brezhnev himself is concerned about it. He interrupted his vacation in the Crimea to meet with Mr Kania on 14 August. The purpose of the visit was to intimidate Polish public opinion and to give Poland a 5-year extension to repay its debts to Moscow. Just as problematic, Romania's debt will be around 60 billion francs and Mr Ceausescu's government could well be the next member of the Soviet bloc to ask for payment deferrals from Western banks--including French banks, which have committed up to 2.4 billion francs.

International bank credits have increased by about 30 percent a year since 1972. In the last 8 years, they have gone from \$120 billion to more than \$600 billion, with a growing share channeled to countries of the fourth world with scarce raw materials and energy resources and to countries of the East. The result is that today foreign credits granted by French banks account for about half of their disbursements (the total amount outstanding with regard to the Soviet Union alone amounts to some 25 billion francs).

Indicators

We see the same growing dependence of industrial firms on customers which are governments or semigovernmental agencies with uncertain repayment capacity. As Mr Chapelle, the president of COFACE who died very suddenly at the beginning of this month, noted a few weeks ago, "in the present difficult international situation, exporters cannot be overly particular about whom they do business with." So they depend on volume, which keeps the factories running and maintains employment, rather than on profits.

"The risks we are running," said Paul Minelle, one of the export heads of Ato-Chimie, "are neither circumstantial nor accidental. They are chronic or closely linked to economic or sociopolitical trends in countries. And a number of indicators point to them: limits on exports, a slowdown in transfers, curbs on repatriation of capital, barriers in opposition to foreign interests, and so forth."

But what warning signals should we listen to? Hunches, address books, crystal balls? And how do we bring possible distress signals back to corporate headquarters? Everyone always has an answer to give when crises arise. In the United States, Richard Helms, former director of the CIA, Henry Kissinger and Richard Nixon have, as many retired ambassadors and university professors, become political risk consultants to large oil, pharmaceutical or electronic companies, with recourse to the Pentagon, Eximbank, State Department or IMF as often as necessary. At the same time, many agencies have tried to come up with a certain number of criteria which lend themselves less easily to personal conflicts and interminable speechmaking.

The oldest one, BERI (Business Environment Risk Index), still directed by its founder, President Ted Haner, publishes two indices for each country--one on the general business climate and the other on political risk, giving one-year and five-year projections. To draw them up, President Haner relies on international panels of businessmen, high officials and political experts. They are always factual and subjective.

Rating

Using different methods, most often based on the game theory, research teams from the WPRF (World Political Risk Forecast), in conjunction with the Frost and Sullivan consulting firm, the Economist Intelligence Unit (founded by THE ECONOMIST and the FINANCIAL TIMES), Business International Corp., ICRG (International Country Risk Guide), Euromoney (on the basis of margins quoted in London on Eurocredits), and the Institutional Investor (summarizing bank surveys), publish studies on destabilization factors on the major key markets, accompanied by comments, ratings, and evaluation. These are true "Michelin Guides" of the "good and bad countries."

In France, Alain Demoustier from Crédit chimique, Bernard Desjardins and Henry Chesnel from Crédit lyonnais, and Michel Develle from the Banque de Paris et des Pays-Bas [Netherlands] have also devised analysis tools using computers more than individual subjectivity to try to prevent political risks. The BNP [National Bank of Paris], the Société générale, the French Banking Association, the French

Association of Business Economists, and SEDES, a subsidiary of the Caisse des dépôts, have followed suit, with varying degrees of success. Before the end of this year, René Pinçon of SEDES plans to set up a data bank which will initially group together information from the Caisse des dépôts, Crédit chimique, the Central Economic Cooperation Fund and the French Press Agency.

On the government side, neither COFACE, DREE (Foreign Economic Relations Office) in the Ministry of Finance, nor the French Foreign Trade Center seem to have the systematic and computerized tools for analysis of "risk countries" at present. COFACE, which used to publish a table classifying countries from "A" (perfectly safe) to "F" (high risk), had to abandon it 2 years ago following protests from some "poorly ranked" embassies. Today it uses only a single rate to set its premiums, the same for the United States as for Zaire. Reports from stationed commercial advisors, abstracts prepared by the diplomatic corps, and papers from some planning agencies--the Analysis and Forecasting Center in the Ministry of Foreign Affairs (Jean-Louis Gergovin) and the Research and Forecasting Center of the Ministry of Industry (Christian Stoffaès)--gather the maximum data available without having to worry first about screening the data by countries. Thierry de Montbrial, former head of the Analysis and Forecasting Center of the Ministry of Foreign Affairs, together with various industrialists, high officials and academicians, established IFRI (the French Institute of International Relations) in 1979, using financing provided primarily by the Ministry of Universities. It is patterned after the Council of Foreign Relations in New York. It holds meetings and provides reports and consultant services, and its purpose is to make all economic agents aware of the major trends and worldwide developments.

Along with these collectors and sellers of information, the last few years have also seen the rise of firms designed to help industrialists work out a strategy for setting up offices abroad on the basis of an analysis of many political scenarios. The largest firm, XA-Etudes Prospectives, established in 1973 and directed by Edouard Parker, has ten or so engineers and economists working for French and foreign multinationals in about 20 countries. It has worked on 3,000 scenarios. "What we want," assures Mr. Parker, "is to prevent major crises from arising in firms suddenly deprived of their flow of transfers, an obvious symptom of a lack of preparedness and anticipation, or in other words of poor management." On the same plane, Novaction (Jean-Mathieu Paoli and Patrick Gantes) takes the social segmentation of countries as a basis for building "coalition scenarios," according to affinities found between various groups. The latest to arrive on the scene, Diagnostic Management International headed by Michel Behar, works with various university professors in preparing long-term investment studies.

Considerable excitement. Since COFACE does not cover all countries or all risks--in particular the local part of large consortium contracts--and since the amount of its premiums will inevitably have to reflect its operating results, political risk studies are going to have to become more widespread in French firms. Let's just hope that scientific discipline will win out over the temptation to take the easy road.

CADRES' EXPECTATIONS FOR NATIONALIZATIONS OUTLINED

Paris LE MONDE in French 22, 23-24 Aug 81

[Article by Francois Simon: "Nationalization of Five Industrial Firms Will Apparently Affect Only the Parent Companies: Managers Are Waiting"]

[22 Aug 81 pp 1, 19]

[Text] The interministerial committee established in July to work out the body of law on nationalizations met again Thursday, 20 August, with the prime minister, Pierre Mauroy, presiding. In particular, it outlined the nationalization procedure for the five industrial firms (C.G.E. [French Electric Company], Thomson-Brandt, P.U.K. [Pechiney-Ugine-Kuhlmann], Saint-Gobain, Rhone-Poulenc). It seems to have been decided that only the parent companies will be nationalized. At a meeting on Thursday, 27 August, the committee will review the nationalization of the banks.

The timetable for these nationalizations is gradually being clarified. The texts of the final bills should be examined and approved by the Council of Ministers on 16 September, and they will then be sent to the National Assembly so that the assembly can begin examining them 8 October. Because of the shuttling back and forth between the Assembly and the Senate, the government hopes that the final law will be voted by mid-November so that the new system can be implemented before the end of the year.

Since We Have to Accept It

Managers by the thousands, and upper level managers by the hundreds, are waiting, arms at order, to find out the fate that has been reserved for them. Since 9 July, the date of Mauroy's program and talk, they know that they belong to one of those groups that the government has cast its eye on. They will be "nationalized." Curiously, this confirmation given by the prime minister from the floor of the National Assembly has, for the most part, left them speechless. In 1978, on the eve of the legislative elections, they shivered with fear for the majority in face of inevitable change. Anxious management fed their fears by varied

recommendations and even cries of resistance. It is true that at the time nationalizations were the central issue and no one imagined, what with the communist's strength, that they would not be implemented if the left won, even if there were deep differences between the signers of the joint program.

Once the great fear of 1978 passed, everyone went about his business until 26 April 1981, date of the first round in the presidential election, which was marked by the defeat of the Communist Party. This event undoubtedly caused a number of managers to swing toward the Socialists.

This choice did not seem too risky and would be a rebuff to the outgoing president who, we discovered while making this study, had come to be scorned by those who had formerly loved him. "Anybody but him," an upper level manager, fed up by the last years of Giscard's term, confided to us.

Let's follow this manager's reasoning--what he said was repeated by almost everybody we talked to. "What's happening," he said, "is the result of a process of elimination. We've really had it with Giscard. As for myself, I voted for Chirac during the first round and Mitterrand during the second. But I didn't really think about the nationalizations. I said to myself that in 1981 the Socialist Party won all by itself; it was not obligated by promises made to the Communists and the ideas on nationalizations went back to 1972 so they would have to be reviewed."

So at first, the Left did not pull through. Then it did, but without the Communists, which changed everything. Finally, it was thought collectivism would not be necessary. From then on many managers began to question the principle of nationalization although it was no longer the time to discuss it. They are re-playing the film backwards as if to give themselves the illusion of waking up in time and deception is turning into perplexity. "We don't understand why nationalizations have been presented as a goal and not a means." "We don't see the logic in the system." "It's an ideological activity designed to placate the communists." "A perfectly useless decision made for publicity purposes." "Mitterrand only wants to keep his promises, even if these promises no longer have any reason to be kept."

This misunderstanding is too widely shared not to be commented on. Never during our survey did we encounter anyone who made an exhaustive analysis of the economic situation, including the problem of nationalizations. In fact, we noticed that this problem was approached from the wrong direction--starting from the situation in which each person is trapped with his ambitions, fears and hopes. In many cases it is not the firm which is considered, but the factory one is assigned to, even the division in which one works, or finally, one's personal situation. The "what will become of me?" was heard much more often than the "what will become of us?"

The fact that the managers are having difficulty based on their personal problems makes a systematic classification of their responses impossible. Everyone tends to

see the personal problems this presents, and they tend to view the future differently depending on whether they work in the eastern or central regions, on whether they work for an advancing or stagnating sector, and whether they are near headquarters or 500 miles away.

"When you're far away from headquarters," a director of a factory located in the north said, "you're not touched by the fever for political change. We have mostly been overwhelmed by the employment situation and have said to ourselves 'If only something would happen!'"

If only something would happen!--a lament dedicated to all the general directors of the nationalizable firms. Whether he is opposed to nationalization or heartily in favor (there are some), the manager is a realist, without quite knowing what it is he fears. But at least that his fear is not groundless. Owner management has been sharply blamed, and above all the technostucture that has been implemented everywhere.

All the while declaring himself for Giscard and opposed to the Left's program, a Parisian manager began by saying that he would be disappointed if the change did not lead to a reorganization of the chains of command. Then: "The owners are paying for their opposition to the reforms proposed by Giscard, and I'm glad." Finally, with a sigh: "Anyway, I hope we won't see one Mafia replace another."

This desire to see "things change" varies, of course, according to the place held in the chain of command or the type of firm. Nobody denies, for example, that there is a caste of "lords" at PUK (Pechiney-Ugine-Kuhlmann)--those in charge of aluminum. The managers of this branch, who practically "make" the sales volume of PUK, follow the firm's policy. Their careers are entwined with its development abroad, so they have normally internalized the owner's viewpoint. Their statements on nationalization correspond, consciously or not, with what their president-director general, Philippe Thomas, said on 3 July. So they unhesitatingly advance the very real problem of foreign activities which nationalization could jeopardize.

The attitude of those who belong to different branches--special steel or chemistry--within the same firm is very different. They know they are doomed to a merger or even, in the case of chemistry, to a takeover by an American firm. They are not devoted to PUK, nor do they have the aversion to nationalizations that is encountered elsewhere. They do not equate the taking of power by the state with punishment, but rather with an almost unhopd for salvation.

They are already dreaming of national groups--data processing France, machine tool France, steel industry France, chemistry France. Are the managers overly patriotic? Why not? Those in PUK found it hard to see chemistry given to an American giant, Occidental Petroleum, as the general management proposed since no partners were found within France. The partners within France could only be French petroleum producers, who it is true, showed no interest. What will happen when the state becomes owner? No manager doubts that the oil companies will not change their minds and that we will then see a large conglomerate that owes nothing to foreigners. But is this only a dream?

What seems to be established is that the government has before it an almost unlimited field of action in the eyes of these managers who are ready to serve their new stockholder, as they have served today's stockholders--about whom they know, we might point out, neither the color of their hair nor the sound of their voices. Their loyalty is not to be questioned: this affirmation constantly came up during our survey. Whether they are violently against nationalization or whether they are happy to go along, the managers will play the games. They take it as an insult if you seem to doubt them. But please God don't turn them into civil servants--that, one could say, is almost their only fear.

[23-24 Aug p 9]

Citizen, Taxpayer, Employee

[Text] The attitude of management in the firms that are slated to be nationalized varies greatly according to the firms' chains of command and according to whether one belongs to a branch that is gaining or declining. But regardless of their personal feeling about the new situation, management will go along with the game ["Le Monde" 22 August).

Do Jacques, Pierre and Xavier, who work a few kilometers from one another, know each other? It is not certain, but they share the common fate of having to assess their futures from the viewpoint of nationalization. Their different reactions are due as much to their ages as to their professional situations.

Jacques is really quite young for his post of chief engineer, although he did agree to move to a dead corner of the countryside--worse, to a tiny hamlet where he will have to stay unless he makes a name for himself. At the moment he does not care a bit. His career is beginning and his main worry is working well with his small production unit. He thinks he has succeeded, and cites the fact that the workers have asked his advice about the new situation. "I told them that we have to make the same efforts to improve the situation," he said, because the branch he works in is faltering. "I haven't had a really characteristic reaction," he continued. "What is important to them is their job and the renovation of the factory. They are convinced that a socialist government won't resort to layoffs. But I don't see things that way. We won't turn things around here without restructuring, which will entail inevitable damage, because the economic rules are still the same."

Was he in favor of nationalization? He had not really asked himself quite that question. "Seeing my factory going downhill was infuriating," he explained. "I voted against Giscard and for Mitterrand more because I was fed up than because of any real convictions. For me, the Socialists are in a precarious position. I expect them to stop the economic decline. I am waiting for concrete results that will be felt here, and I'll give them 2 or 3 years. After that, it's all over!"

Jacques is also a little bit worried about his career. He believes that nationalization will increase the number of steps between him and the president-director general, and there are already enough now. The speed of decision making

is going to be slowed, which will not be inconsequential. He would like to see a return to autonomy, but believes the opposite will happen. He is willing to give up some of his advantages, "if it will benefit everybody, if it doesn't mean a general cutback." At any rate, the times are past when management's advantages included a garden...and a gardener. "In any case," he concluded, "something had to be done. I feel like the driver who has had a breakdown. Is he just going to feel sorry for himself? No, he'll think about what happened and figure out how to get going again. You have to take some risks, but I want to take them. I'm ready to play the game."

Not far from there, Pierre had carefully prepared written responses for us. All these changes do not bother him personally, since he will be retiring in a year. The son of a laborer, he had the opportunity to complete his engineering studies and climbed the rank of management until he found himself director of a factory. He has 250 persons under him and a firm aversion to nationalizations, which he terms "an unreasonable, anachronistic and stupid operation." Unreasonable, because we are in a state of economic war and you do not turn everything upside down during a war; anachronistic, because it does not respect the freedom of enterprises, which is a basis for progress and which has saved the United States; stupid, because these ideas are a century old, they are turning the country backward, and the socialist experiment has not succeeded anywhere.

He also talked about France, "about the teachers and professors who are deciding the industrial future of the nation," of the "bureaucratization that is under-way," of "the risks of politicizing the personnel" of "the mediocrity and immobility that will be stalking those who will henceforth be part of the governmental system," of the "union and party dictatorship" by which he feels threatened.

A Drum Roll

Has he overexaggerated? Or should we think that until now he lived in the best of worlds? Not at all, and he just as caustically replied, "It won't be difficult for us to adapt, because we're already heavily bureaucratized, with a multitude of company headquarters ruled by directors who are only happy in a bureaucracy." In his case, he will continue to play the public role he thinks he has to play in the time he still has left, respecting the principles he has always lived with. "We won't sabotage anything," he repeated several times as if we would not believe him. Then, reflecting aloud, he summed up his worries: "The socialist plan is an egalitarian one. The Christians, to whom I belong, can understand that. But a drum roll..." While seeing us out he spoke of "management by intelligence" and of "man's abilities" which should be the privilege of the directors. Then, contemplating his deserted factory at lunchtime, he sighed, "Bah! The factories will still roll."

Xavier personifies the intelligence of upper management which has succeeded and still has all the time in the world to succeed. His branch is one of the bright spots of the company to which he truly feels he belongs. He presents himself as a "citizen, taxpayer, employee." "I'll go along," he said, "even though I am against nationalizations. That should not change our goals and I will continue to work with the same fervor, I won't throw away my experience. However, I'm not very optimistic. Although if they succeed, I'll be quite satisfied."

If he presented himself as a citizen it was to emphasize that he will respect the law. But as a taxpayer he is wondering about the price he will have to pay. Divided between the condemnation of employers who, in his opinion, have been too closely linked to power, and regret at seeing a liberal system which allowed exchanges between directors "who spoke the same language" disappear, he fears the destruction of authority, which will be encouraged by the unions.

We Must Innovate

He at least hopes that "the only positive aspect of the situation: the enthusiasm of one part of the population which until now had been pushed aside" will be used. "It is up to us, the managers, to innovate," he said, "but it seems very dangerous to me that decisions will be imposed by a new majority which will make the same mistake as the old by abusing its authority."

Are there only cautious managers, hostile to nationalization? Evidently not. Although it seems to us that "opponents" form the bulk of the ranks, there are also managers who are members of the Socialist Party, or close to it, who see things somewhat differently. They have not put on rose-colored glasses to describe the situation, but believing in change, they have seen the positive aspects first. Of course, they have been amused by the reverence they have suddenly been shown. It is a small personal satisfaction to see the division director suddenly become aware of your presence, offer to show you secret documents, and inquire about the possibility of a meeting with Jean-Pierre Chevenement!

Those in favor of nationalization have not stopped at that point. They are taking advantage of the situation and trying to analyze the changing environment. They are the first to note that, because of a lack of adequate publicity, the idea that nationalization can be an instrument for a national economic policy has not been perceived by management. This explains their indifference. "They are waiting," explained a hardliner; that is, they are waiters. By nature, they are unaware of the interrelationship of power, which represents less the authority in an enterprise than the reflection of authority. They will settle into the system, to the extent that they are not disappointed by the change. Success will require the establishment of new chains of command. But if nothing moves, if the technocrats stay where they are, if cooperation does not become part of the plan, then it will fail, stated this militant, and the Socialist Party will be held responsible, he concluded, with a note of anxiety in his voice.

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CSO: 3100/923

AVEROFF'S ECONOMIC MEASURES ANALYZED

Athens O OIKONOMIKOS TAKHYDROMOS in Greek No 31, 30 Jul 81 pp 7-8

[Article by Giannis Marinos: "How Mr Averoff Started and What He Could Do for the Economy"]

[Text] Taking over the responsibility of the economic sector by Minister Evangelos Averoff who has been moved up to the post of vice president could have been the most important event since Mr Rallis took over the presidency--as has been written--if it had been done for that purpose. But all of us know that these developments regarding Mr Averoff are related to matters that mainly concern the cohesion of the "New Democracy [ND] party and the forthcoming elections.

Besides, even if the purpose of making Mr Averoff the vice president and putting him in charge of the economic sector was mainly the confrontation of the tremendous economic problems, and even if he were a financial genius (something that has proven to be non-existent in our difficult economic times), it appears to be improbable, if not impossible for him to realize any significant work for two reasons: a) because the time he has at his disposal is 3 months at the most (more likely only 2) and b) because the pre-election period here in Greece, especially for the--doubtful for ND--elections, permits everything except the application of the most rational and productive policy.

And yet, Mr Averoff could make a contribution to some positive results for two reasons: a) because--as my colleague Evangelos Androulidakis underlines in POLITIKA THEMATA--Mr Averoff is a good manager and b) because he expressed the intention of decisively controlling the economic sector within the entire governmental spectrum. Specifically, he stated that: He will exercise continuous and full control on economic policy and all the appropriate ministers should brief him regularly and execute his orders. He will not accept any deviation. Anyone who disagrees should submit his resignation. The prime minister will not be involved directly in economic matters "but I will brief him regularly and we will be co-operating" (TO VIMA 7 February 1981).

Even though these proclamations may be considered simple, natural and self-evident, they were not and are not valid for the ND government, especially in recent times. The spheres of influence, the cliques, the personal policy, the egotisms and pettinesses, the dissensions and clashes, and the backstabbing have been prominent. The result was the undermining of the authority of the government, the failure of any of its measures, the lack of continuity and consequence, the makeshift contrivances and the occasional reversal or lack of follow through on what had been decided and the unavoidable general slackening of the public administration to the point of

inertia. Many "flowers of evil" found favorable ground in this climate and multiplied and thrived and are threatening to do irreparable damage to the already weakened constitution of our economy and aggravate the unhealthiness which permeates its operation and which tends to develop gangrene.

In his platform declaration, Mr Averoff underlined that he expects to succeed in establishing a climate of trust of the economy by the citizen. We believe it would have been more logical for him to promise he would try to succeed in establishing a climate of trust of the government and public administration by the citizen. The first (trust of the economy) is something that is terribly difficult to achieve. One could say that--especially at this late time--this eludes the capabilities of Mr Averoff and the government. In contrast, the second--that has been missing for some time for the reasons we mentioned earlier--is within their grasp. Just that it is difficult. Very difficult. Why? In an interview with the magazine POLITIKA THEMATA 3 to 9 July, 1981, Mr Averoff said: "To succeed in realizing the objective of slowing down the activity of the economy, we need good housekeeping and consequence, as well as daring and imagination." Shall we suppose that indirectly he accepts that all these did not exist before he accepted the responsibility for the economic sector? We prefer to wish him success where his other colleagues have failed. Because NEA DEMOKRATIA cannot claim to have had a good relationship with good housekeeping or that consequence was included in its credo. As for daring and imagination, these are found only in the literary works of Mr Averoff and Mr Bokovos.

At the time I was writing this article, I was in a place headed for abroad. I had not yet been informed of any guidelines which may have been announced, such as the emphasis on private initiative, regarding which the vice president did not hesitate--causing the furor of the time--to state publicly "that profit, reasonable profit, is the motivation in all free countries (he probably means economies) and is the reward of the efforts and abilities of the individual." Indeed, he would have been more accurate if he underlined that a capitalist economy without profit is inconceivable. But also something that not only is not known to many and escapes many specialists is that even in the socialist economies profit is a necessary element for their smooth and productive operation, and its absence leads to an impasse. Lenin was first to determine this and it was worked on as a basic principle for the operation of existing socialism by the major economists of the countries of the Eastern Bloc. (Whatever is believed contrary to this here in Greece is the product of ignorance or the consequence of misleading brainwashing by propagandists).

It is also a pleasant fact that, as Mr Averoff also said all of the parties agree that the healthiest way of fighting inflation is the increase in productivity and the greater offering of goods.

The Greek economy is in a quite difficult and liquid situation. It suffers not only from its innate weaknesses (the lack of a rational productive structure, pre-dominance of the small retailer, an extended underground economy, low productivity and the waste of national resources, great dependence on foreign economies, a tremendous bureaucracy and the multiplying corruption for its oversaturation), but also feels the repercussion of the international crisis more acutely, as well as the recession and consequently the low purchasing interest in Greek export products, the monetary instability, the energy problem, and the increasing income inequalities between rich and poor countries. At the same time, the Cyprus issue and the Turkish demands in the Aegean compel high defense expenses which worsen the deficits in the balance of the budget and the government treasury. Finally,

while in this state of confusion, Greece found herself implementing her enrollment in the EEC and subjecting herself to the unavoidable jolts with greater intensity because of the intensified acuteness and impasses in the functioning of the Community and from the unpreparedness of the Greek economy and especially of the Greek administration to confront the new circumstances.

What could Mr Averoff do about all these things? Even if he succeeds in controlling the dissenting chiefs of the production ministries, even if he uses his prestige to strengthen Mr Palaiokrassas who was promoted to a first class minister, but whose authority and final opinion was not always accepted, let us say because of a difference in age. And even if he succeeds in coordinating the ministers, effecting accord and real harmony and peace in the governmental and neodemocratic area, the climate of trust for the economy is a target that is probably not feasible. Even if the only reason is the uncertainty of the outcome of the coming elections. Day to day administration is practiced by everyone. The long term programming of private carriers of the economy is postponed for later. Wait and see is the predominant mentality.

Even so, Mr Averoff and his co-workers could do some important things, even in view of the elections. First and foremost they should stop the pre-election grants. Not only because they worsen the bad economic situation (the revelation of OIKONOMIKOS that the shortage of the budget in 1981 is already reaching the level of 60 billion drachmae was not denied) and all other things that are not going well are getting worse (e.g., a thicker cloud with the abolishment of the even - odds, the worsening of the situation in city building with the legalization of the buildings that were erected without a permit, and so on) but also because they do not get votes for those in power. The citizens sense that this sudden generosity of the government is due to its fear of losing power with the result that even its loyal friends are influenced in a negative manner, and like genuine Greek opportunists hurry to abandon the ND ship, even if the impression that it will be sunk in the elections may be wrong.

Furthermore, Mr Averoff and his co-workers could pull the reins on the high-handed behavior and the private policy practices of the party spheres of influence. In addition, they could stop the downhill trend of the administrative measures that lead to the encouragement of illegality and the reward of high-speed behavior.

From the NEA the following surprising event was revealed: "The tens of thousands of buildings that were erected without a permit in the Attiki area have found a way of getting electricity, at least in most cases. Because they have been built on farmland and do not have a building permit, in order to get electricity, they pretend to be farming the land (by using some influence) and succeed in getting electricity with the method of "pumping water for irrigation." But now, with the decision of the Financial Committee for lessening the price of electricity for "agricultural uses" the illegal buildings will be getting the advantage of a lesser price by 30 percent. In other words, they will be paying about 2.5 drachmae per kilowatt instead of 6 drachmae that is being paid by legal consumers."

In other words, not only do the illegal buildings get electricity in an unlawful manner, but now they will pay much less for it than the law abiding citizens.

It is not the first time that the present government is being questioned (obviously involuntarily) for encouraging the citizens to commit illegalities, tax evasion, leave bills unpaid and so forth. If Mr Averoff wanted to, he could put a stop to all these ills. Just that some daring is needed. He could also put some order in the public administration and at last, punish some of those who commit illegalities or those who are incompetent and damage the public budget with their nonsense, even though the prospect of elections here too neutralizes the respective possibilities.

As far as everything else goes, we also agree with the view that the government will not be able to stop inflation or the recession during the next 2-3 months of its tenure (only unless it uses artificial prosperity that will be due to pre-election expenses, which, it appears will reach the greatest levels ever). Of course, it will not be able to take any measures of any importance to building activity with healthy results either. It would be to its credit if it controlled itself and did not take measures that would make matters worse.

We believe that our thoughts and observations are confirmed by the package of economic measures that Mr Averoff announced a few days ago. First of all, these measures are of a temporary nature and are targetted towards a quick rejuvenation of the economy. The enemy is recession and that is what they are trying to combat. But inflation goes hand in hand. And those who worked out these measures show that this problem is of concern to them. Because the package of grants to the farmers, and in parallel to the small middle men and those who are interested in getting a home, unavoidably will strengthen the inflationary pressures. The antidote was sought in the consolidation of the investment program, in stopping all hiring (with certain exceptions) and in the compulsory cut of the expenses of the public services by 2 percent and the governmental organizations and operations by 5 percent. It is obvious that both the grants and the economies have a productive and a consumptive character and work both for and against inflation. The simultaneous obvious contradiction could be explained by the need for combatting the contradictory (as the classic economic thought considers it) phenomenon of coexistence between recession and inflation. The real reason is much more mundane and realistic. It would be difficult to hide the aim of the government to make a good impression on the farmer class and the small middle men who appear to be already attracted by other political orientations.

There is no doubt the effort to consolidate government expenses to favor private initiative, something that corresponds to the platform statements of the new vice president. His ambition to consolidate the inflationary pressures and improve productivity seems to be even less feasible. The building loans seldom have this result, the financing of the small middle men and the professionals rather will help with their problems of liquidity and not in the productive investments that would be impossible anyway with the available funds. As far as the farm loans are concerned, especially without strict controls for their purpose and the way in which they are being used (that even with the procedures up to now had doubtful results), it is known that they will be channeled not only to productive projects, but also to an increase of their use, so that those who prosper from them will not only be the automobile importers, the apartment builders and the handicraftsmen of plates and bouzoukis, but also an entire world that moves within the limits of legality and morality with serious repercussions not only burdening the public finances (since all of this favors the tax evaders), but also the balance of payments, since according to my information, there are hundreds if not thousands of Swedish women or other Scandinavian women (real or imitations) who hustle drinks in all the dives of the provinces.

However, several positive points of the new measures are worthy of attention:

a) The enforcement of forbidding all appointments to organizations that have deficits. b) The extension of forbidding all hiring, even for those under contract or on specific projects. This proves the serious intention of the government to put a stop to appointments. And very wisely. As the saying goes, every appointment creates on ingrate and many enemies. c) The building loans are at last given in the amounts that will permit covering costs even of a small apartment.

In the package deal that was announced, there are included some items with a long term character that could lead to substantial reorganizations. There are the loans given for the purchase of arid land for conversion to fertile land.

There are also the loans ranted to municipalities for municipal water projects. Finally, there are loans granted to graduate mechanical engineers, electrical engineers, and graduates of the KATE [Higher Technical Education Centers] agricultural schools for agriculturists etc., for the establishment of their own businesses outside of Athens.

Of course, one could yield to the temptation of wondering why just at 5 minutes to 12 the government discovered the expediency of such correct measures that contribute to positive reorganizational improvements and to the decentralization of the economy. One should not complain, however, when the correct measures are taken, even if the expediency that dictates them supports political partisan objectives and not economic ones.

The only thing that we find worthy of special attention is the decision of the government in cooperation with the Agrarian Bank to follow simpler and faster procedures for grants. Not only because this indicates that what is sought is to make it easier for the interested parties during the coming politically critical pre-election 3-month period, but also because it is proven that when there is a will or a political purpose, the bureaucratic procedures and the banking criteria are lessened. In which case, it is understandable that the Greek citizens would think that everything could be simpler, less time consuming and cause the minimum hardship for them, if it is so intended. The electoral needs solve problems that until yesterday seemed to be insoluble. A very distressing observation.

After these special observations, we will end with a summary of our initial thoughts.

We believe that the Averoff administration could prove to be positive in the economic sector, if it responded with consequence and conscientiousness to its obligations during the present management of the economy. We believe that there should be an increased feeling of responsibility and they should not proceed with innovations and long term projects that will commit the future governmental budgets and our international relations. Unfortunately, to be prudent in our times requires daring.

9341

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SPADOLINI, OTTAWA'S DECISIONS ON THIRD WORLD AID

Rome IL BORGHESE in Italian 23 Aug 81 pp 967-968

[Article by Francesco Cavaletti: "Spadolini on the Third World"]

[Text] It is now well known that this country was not taken too seriously at the Ottawa "summit." In any case, Senator Spadolini has been charged with coordinating the industrialized countries' initiatives toward the developing countries. This assignment, albeit general and superficial, has been seized upon by the government as a pretext to allocate 3 trillion lire to developing countries and to use this allocation to exorcise radical obstructionism against the law on party financing. Certainly no one in Ottawa could have imagined that the Italian premier, of all people, having been thrown this job as a sop, would have used it so casually for rather ignoble ends of domestic politics.

Yet in this field, something has been or should be happening after the "summit."

The problem of world hunger is an argument that comes up at all international meetings. Good intentions are shown, but not much is done. The Ottawa summit was no exception to this rule, but this time some novel things happened.

The first is of noteworthy political importance: for the first time, the major Western industrialized countries have recognized that aid to developing countries cannot be separated from political considerations. The final communique at Ottawa stated, "The seven governments participating in the summit conference are ready to maintain and increase the level of aid to Third World countries." But it adds, "To those that are genuinely non-aligned." This means that the other six have accepted the new tendency in American aid policy and the new U.S. criteria for distributing aid.

Hitherto, subsidies to Third World countries had been distributed by the American government within the limits set by Congress unconditionally and indiscriminately to whoever needed it most, without paying too much attention to whether they were friends or enemies. The assistance then came, so to speak, anonymously through the appropriate international agencies. This arrangement is now going to change. The INTERNATIONAL HERALD TRIBUNE wrote some time ago, "The American taxpayer is fed up with paying money without putting conditions on it and with helping countries that do not show the slightest gratitude." Thus, U.S. aid is tending not only to fade but also to be granted with new criteria attached, i.e. on the basis of direct contact with the countries involved and favoring those that are friendlier to the West and more geopolitically useful to America or, at least, not clearly aligned with the USSR.

Certainly, Third World countries, aware of the dangers of Soviet expansionism (especially since the invasion of Afghanistan), have been increasingly turning to the West. But it cannot be ignored, and Reagan's America does not ignore the fact, that the so-called "non-aligned countries" (97 states) elected Fidel Castro as their president last year and that a few days ago the Organization for African Unity (OAU) which includes 50 countries) also elected as president a declared enemy of the West, Colonel Qadhdhafi. In a world increasingly subject to military tensions, it now seems difficult and politically mistaken to extend aid to countries aligned with the Soviet Union, countries that, upon receiving Western aid, use it for military purposes against the West. Thus it is not accidentally but intentionally that the Ottawa summit set a new course for Western aid to the Third World, a position that will soon make its effects felt. This position was obviously ignored by the Italian parliament when in its rush to go adjourn for vacation it budgeted those 3 trillion lire for the sole purpose, we repeat, to appease radical obstructionism.

President Spadolini (somewhat, it seems, together with Trudeau) took it upon himself to have the issue of underdevelopment discussed at Ottawa and then thought it his duty to take on a special task, as he himself put it, of "taking a series of concrete initiatives to alleviate hunger in the world." The other six participants at the Ottawa meeting courteously took this Spadolinism at face value and "officialized" it in the final communique. But the unexpected initiative we mentioned has given some food for thought, and what happened in the Chamber before adjournment confirms our suspicions. The problem of hunger in the world is very serious, a human tragedy, and is not to be taken lightly. It will not be solved with smiles or artificial optimism. It is a problem that must be faced with extreme realism in order not to create unfounded illusions, and with full awareness of its immense humanitarian and political implications. Innumerable factors impinge upon this problem, and they range from the limited resources of the donor countries to the policies of the oil sheiks; they include the congenital incapacity of the underdeveloped countries to use aid, the dishonesty of some of their government officials, the waste caused by tribal wars, and the misery caused by racial or political population displacements. Remember, too, that aid from the USSR is practically nil at the level of the United Nations because Russia prefers to spend its subsidies bilaterally and under the counter, using them as one of its main instruments of enslavement.

Against this most intricate and partly new background, Spadolini took it upon himself to take "concrete" initiatives. Why has he done so, and what does he intend to do? Is Spadolini's position a courageous though risky gesture, or is it demagogic and headstrong, intended to impress his colleagues, to grab the limelight, to seize a place in the press communique and steal the thunder of the leftist fringe that has made world hunger its propaganda war-horse? We want to credit Spadolini with the purest of intentions and believe that he is getting ready to perform miracles, but judging by what the Italian government has done and its inability to take full benefit from American aid for the earthquake, judging by the farce of 3 trillion lire appropriated to meet the needs of politicians in the corridors of Montecitorio, we rather fear that Spadolini's charge is taken lightly and for domestic motives and that it will disqualify us in the eyes of our allies when they see that words are not followed up by deeds. And what deeds might follow? It is obvious that Italy is bringing up the rear among Western countries in its contributions to Third World development funds; but I maintain that under present conditions Italy cannot do anything more. And since that is the way things are, how can we take initiatives to make others pay more?

It would be much more reasonable if the government did not promise impossible miracles or allocate unsustainable funds but rather explained the situation to public opinion and avoided once again playing the part of a self-important, interfering busybody. It would be a painful discussion but a serious one, and everybody would understand it, except the radicals, of course. But nobody understands what the "concrete initiatives" announced by Spadolini might be.

8782

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STUDY ON GROWING PROBLEM OF FOREIGN LABOR

Florence POLITICA INTERNAZIONALE in Italian Feb 81, Mar 81

[Article by Catia Dini: "Manpower for Import: an inquiry into the impact of Third-World immigrant labor on Italy]

[Feb 81, pp 135-138]

[Text] We intend in the first part of this inquiry to analyze the phenomenon of immigrant workers in Italy, to discover not only its inherent causes but also the more problematical aspects, such as those bearing on analysis of specific features of the Italian labor market, on the placement of these workers in specific areas of that market, and on relations between the immigrants and Italian workers.

It turns out to be puzzling in the extreme to comprehend how a country like Italy, which has always been a prime exporter of manpower and which, in the past few years, has had a superabundance of manpower that in 1980 translated into 1.5 million unemployed, and at the same time has become an "importer" of foreign labor. That contradiction we find explainable only on the basis of the existence of a number of perverse mechanisms in the labor market, and of the determination of a particular entrepreneurial class.

According to Claudio Calvaruso, who heads the Censis research division, the immigrant labor phenomenon in Italy can be laid to two orders of factors: the "endogenous" and the "exogenous." The exogenous variables can be traced to blatant differences in incomes between Italy and the manpower exporting countries, and to the migratory potential that has emerged in a number of African and Asian countries in the wake of the development mechanism first set in motion under colonial rule, and to the subsequent advent of industrialization programs; together, they meant that a whole segment of the population that had traditionally been engaged in agriculture was spilled into the cities and towns, thereby generating massive urban problems and lumpenproletarian ghettos, where people were easy prey to the lure of the emigration adventure. The manpower gaps that have been opening up in Italy in the least pleasant, most arduous, and lowest-paid jobs constitute the second order of factors.

Still according to Calvaruso, the presence of foreign workers in Italy can be boiled down to the "discrepancy on the Italian labor market between the quality of demand and the quality of supply, particularly in-

sofar as concerns the younger portion of the job-seeking pool, where there are deeply rooted aspirations as to income levels and satisfaction with the job itself which are not always matched by an adequate response in the quality of jobs available."

Gianfranco Lucini, president of the Federal Vocational Training Agency (ECAP) for the region, points out that "the developmental pattern in Italian society over the past 30 years has generated evolving problems between sectors and within individual sectors, leaving manpower gaps which have been partially filled by immigrant workers." Actually there are areas of the labor market which, according to Calvaruso, are "unskilled, unmotivated, and unpleasant, such as the bottom levels of the tertiary sector (waiters, dishwashers, hotel workers, domestic workers, etc.), agriculture, transport, portage, fishing, and heavy manufacturing." It is into precisely these areas, shunned by young job-seekers either for socio-cultural reasons (such as prestige, social status, inadequacy by comparison with their skills and abilities) or for economic reasons (such as inadequate income, lack of demand for full-time workers, etc.), that the immigrants have moved.

I have compared estimates reached by various agencies and sources of information among which the best known is CENSIS (Social Investments Study Center), which produced "Foreign Workers in Italy," published in Rome in 1979. (All of them are fairly debatable, since the official data provided by the Interior Ministry covering "regular" [legal] foreigners who have complied with all the placement and hiring regulations make no mention of the vast reaches of clandestine or "irregular" workers.) One can, however, arrive at some top and bottom assessments that will suggest the approximate overall dimensions of the phenomena at somewhere between 500,000 and 700,000 foreigners. Of these, the relative percentages by country of origin -- once again, approximations -- are these: 15 percent come from the other EEC countries; 10 percent are Yugoslavs; 15 percent are Moroccans, Tunisians, and Algerians; 10 percent are Greeks; 10 percent are Egyptians; 25 percent are Colf [?] people from Cape Verde, Mauritius, Eritrea, the Philippines, Somalia, the Seychelles, Thailand, etc.; 15 percent are political refugees; and the balance (10 percent) of other nationalities, mainly Spanish, Portuguese, and South American.

Perusing the Censis inquiry and other more recent surveys on the areas in which immigrants tend to settle, we find a substantial number of immigrant workers, overwhelmingly of Yugoslav origin, in the Triveneto area. These are people who have found work in the commercial and artisan trades, in the shipyards and factories of Trieste and Udine, particularly in heavy manufacturing. A great many of them have gone into construction work. Equally remarkable is the number of women who do day-work in the houses of the middle- and upper-middle classes in towns like Gorizia, Udine, and Trieste. By and large, these are women who stay in Italy for a while, then go back home -- perhaps returning several times. They come not only from the border areas like Capodistria, but from the interior of Yugoslavia as well. And lastly, there are many seasonal migrants who work either as waiters, scullions, or busboys in

the restaurants, hotels, lunchrooms, and pizzerias of the port cities such as Trieste, Grado, and Lignano, or as harvest- or field-hands on surrounding farms.

In the Milan area a good share of these workers are employed as domestics (800 to 900 of them are from Eritrea, and 60 percent of them are women). In tertiary work (dishwashers, errand-boys, attendants, bus-boys, and street merchants hawking trinkets and rugs) we find Egyptians, Tunisians, Algerians, Moroccans, and Eritreans. In manufacturing, doing the hardest and most unwanted jobs, emigrants from the Third World are employed as boilermakers, metalworkers, and in food processing (processing animal entrains; working in hog-lots connected with slaughtering and canning operations). In Piedmont, there are also some Poles working in the mines (like the iron pyrite mine at Alagna and the graphite mine in the Val Chisone).

As for Emilia-Romagna, about half the workers in the small smelting and casting plants are foreigners, mainly from North Africa, some of them recruited directly in their home countries (such for example as those who work in the plants of CONFAPI (Federation of Small and Medium Industry) members, which have a market in the countries of Northwest Africa). To these we might add the Colf people and the North African street merchants who work the beaches of Romagna during the summer.

Skippping for the moment over Rome and Lazio, which will be covered in a detailed analysis in the second part of this paper, there are some immigrant workers to be found even in Apulia, Bari, and Brindisi, where Moroccans, Tunisians, Egyptians, Ethiopians, Pakistanis, Indians, and Eritreans are recruited to sail as ordinary or apprentice seamen aboard the ships that dock there. Many foreigners also manage to make a living by hawking craft work, leather, and rugs which are produced locally but sold as imports from Turkey or Morocco.

The phenomenon is very marked in the Islands. In western Sicily (more than in the East, where it is confined to Catania and Palermo), there are a great many Colf* people working in the service and building trades; in Trapani Province they are numerous at Mazara del Vallo in the fisheries and allied industries; in Marsala, Castelvetro, Salemi, and Alcamo they are construction workers and farm labor; at Trapani and Mazara they work in the shipyards, and at Agrigento there is work for them in agriculture. Most of them are Tunisians employed as ship's boys, seamen, fieldhands, and newsvendors: this is a gold mine that yields billions to the men who control this brawn market.

The Tunisian labor racket is prevalent in Sardinia, too. It got its start several years ago, when a number of Italian colonials who had been driven out of the Middle East and North Africa settled on the island. To get the abandoned lands they had purchased under cultivation again, they resorted to manpower smuggled in from Tunisia. Some of these workers were also found employed as waiters and busboys at the beach resorts.

If we consider the fact that the government issued some 200,000 sojourn permits, of which fewer than 100,000 were work-connected, we can readily deduce that the vast majority of foreign workers are here without papers, and that they are doing unreported work -- what we call "black" work.

In sociologist Calvaruso's view, it is fair to say that in the present state of affairs, "the immigrant workers act as a buffer for the social tensions that would inevitably be unleashed without their presence in that the disparity between the expectations of the young and the cold truth of the labor market would have to be forcibly dealt with, either by altering the expectations of job-seekers or by altering the organization of the labor market." Again according to Calvaruso, what is involved here is a stopgap function performed by immigrant workers, rather than one that would replace the domestic work force. At least in this initial phase, the immigrant influx is viewed as a stabilizing factor in the labor market. Immigration of a manpower pool with practically no bargaining power, and therefore ready to do any sort of work and put up with any kind of extortion turns out to be extremely useful to a certain employer-class type, whose competitive stance depends on keeping certain working conditions absolutely unchanged. This labor force thus winds up as a steadying and balancing factor on all those "pathological" aspects of the labor market. In fact, this is the way to get rid of all the manifold problems of industrial reconversion, of restructuring the least competitive and most backward sectors, which are based on "underground" work, on decentralized production, and on work at home. It is all part of a strategy designed to keep the productive posture unchanged by resorting to "untrammelled elasticity" in use of the labor force. Manpower like this will in fact tend to move into all those sectors of industry, into the fisheries, and into agriculture where increased productivity is made to grow not from the adoption of technical innovation or greater concentration of capital, but rather from underpaying and overexploiting the work force. By siphoning cheap foreign labor into the labor market, some employers are compensating for the chronic shortage of manpower and easing pressures for higher wages. In so doing, these employers also deftly weaken the local labor pool, and put a check on any uppity notions its workers might be entertaining.

The presence of an inferior stratum of immigrant workers also affords, for some portions of the working class who have yet to have their collective consciousness raised, the gratification of a fictitious move up the social ladder, at the subjective and psychological level. In other words, upward mobility is subjectively achieved, in terms of a higher status created by the existence of another group's being stuck on an even lower rung. This recognition on the part of local workers of the existence of a hierarchy in which the immigrants occupy the lowest rung helps to weaken and further divide the working class as a whole.

On the other hand, we see a parallel inversion in the migratory patterns of Italian workers, for whom increasingly frequent short-term emigration is made worthwhile by a profit which in the long run might not

jibe with the rising tide of immigration. In Calvaruso's words, "We may therefore look forward to a heightening in social tensions relating not only to the difficulty of communication between the Italian population and this uprooted and ghettoized mass of foreign workers, but also to the labor market itself, where foreign workers will increasingly be showing up as competition with Italian labor for the not-so-secure, non-institutional jobs." In other words, there is a danger that in the very near future local workers will begin to perceive the immigrants not so much as fellow-members of one class, but as an alien and competitive group. From that perception to racial and ethnic prejudice and xenophobic attitudes cloaking a more complicated class problem is but the shortest of steps. Furthermore, prejudice at this point would be a symptom of the very condition of insecurity and precariousness in which the native-born working-class finds itself.

In the view of a great many experts in the field, there is indeed a serious risk. In fact, if we do not soon get labor policies which aim at some modification in the expectations of the young in these unskilled areas of the jobs market, and if steps are not taken promptly (at both the legislative and union level) to regularize the status of these foreign workers, social tension may well grow more acute and so give rise to conflicts which it will be extremely difficult to heal.

This whole issue of conflict and contradiction, within the working class and including the immigrants, calls for answers from the labor unions and the political parties. The unions argue that there must be a short- and medium-term program laid on to deal with the whole body of problems raised by the presence of the immigrant workers, which will also contemplate intervention in the labor market based on regulating demand and supply (in addition to reconversion and development at the regional level), which would be part of an overall strategy embracing the broader issue of North-South relations.

To this end, the unions have repeatedly voiced their support for granting full rights to immigrant workers at the vocational, legislative, regulatory, and social levels, in part to prevent a certain employer class' gaining access to the "reserve army" made up of the immigrants, and their using it against the Italian working class itself. What is needed, according to Franco Salvatori of the CGIL International Office, is "a cleanup operation that will move these workers onto the labor market on an equal footing of rights with the rest of us"; in other words, action that would regularize their position from a wage, welfare, and insurance standpoint, at the same time eliminating that whole area of un-guaranteed, non-institutional, "dirty" and ill-paid work, and in so doing would operate in the interests of the Italian workers employed in such work.

Again according to union spokesmen, there must be simultaneous intervention directed at government agencies to achieve: 1. amendments to the Rognoni Bill (694, 31 January 1980), which now views the problem of foreign workers solely from the law-and-order aspect, and thus is clearly a totally inadequate and repressive approach; 2. enforcement of ILO

convention no 143 (now in the process of ratification), particularly that portion of it that insists "on the furtherance of equal opportunity and equal pay for migrant workers."

Alfredo Zolla, who heads the Lazio CGIL International Office, also puts some emphasis on the need for providing a whole range of social services stretching from child welfare, household assistance, the right to education, and the protection of their own cultural identities for migrant workers to free health care.

The whole issue of immigration by foreign workers must also be viewed in the more global context of North-South relations, relations between industrial countries and developing countries. On this score Erasmo Boiardi, secretary-general of the Fernando Santi Institute for research in migrant worker problems, holds that Italy must act from a perspective whose goal is the productive takeoff of the countries producing raw materials through export of complete production cycles that make use of local manpower, whose vocational training could be hastened by taking advantage of their presence (as temporary migrants) here in Italy.

Boiardi feels that small and medium companies could, under agreement with the Regions, take part in planning vocational training courses for immigrant workers, hire some of their graduates for jobs in their own plants, with a view to subsequent utilization of their experience and skills for establishing industrial plants in their home countries as part of a cooperation policy with those countries.

The same opinion comes from Franco Salvatori, who points to the need for generating "job training contracts, which would give vocational training to the immigrant workers, and would be tied in with their return to their home countries so as to increase the opportunities for profitable development in those countries."

In short, the immigration problem has to be placed in the context of a strategy that would, in Alfredo Zolla's words, take into consideration the more general problems "of exchange of raw materials for technology exports, of cooperation between Italy and these countries, and of contributing to their development"; that latter point's being, of course, the sole meaningful guarantee of a truly equal and democratic relationship.

[Mar 81, pp 79-82]

[Text] This second portion of the survey is targeted on the immigration of foreign workers into Lazio, particularly those coming to Rome.

Who are they? How many of them are there? Where do they work? Where do they live? Undertaken to provide some answers to these and other questions was a survey conducted for the Lazio Region by the Federal Agency for Occupational Training (ECAP) and the Center for Studies on Immigration and Emigration (EMIM). Its findings were published in

"Foreign Immigration into Lazio: A Factual Picture of Conditions" (Rome, December 1980). The survey produced an x-ray of a complex state of affairs, often unofficial, which centers primarily around Rome.

We are given an idea of the magnitude of the phenomenon in Rome by Gianfranco Lucini, president of the regional ECAP: "Of the estimated 90,000 foreigners here, there are in Rome, in addition to those foreigners engaged in the professions, or in cultural, religious, and diplomatic activities, some 45 to 50,000 workers, 20 to 22,000 of whom are officially registered, and the rest of whom are clandestine or semi-clandestine entrants."

The kind of immigrants coming into Lazio depends strictly on the features of the labor market, the most marked of which is an abnormal expansion in the service sector and in the classes connected with it. The makeup of the "migratory flows" thus emerges as tightly determined by the type of job market. Demand here in fact centers on Colf*people among the middle and upper-middle class (households in which both husband and wife have jobs); then there are jobs for busboys, dishwashers, and assistant cooks in the restaurants; for hotel workers and workers in the tourist trade; for garage repairmen and for night watchmen.

Aside from the numbers of jobs available in Rome, migrants come here partly because Rome is the transfer point for people heading for Northern Europe, because it is easier to get a tourist visa here, and also because Rome is perceived as a major cultural and religious center (particularly by those emigrants from countries with a strong Catholic cultural influence).

According to the ECAP-EMIM research data, 68.7 percent of immigrants belong to the following nationalities: the Eritrean-Tigrinya-Ethiopian ethnic group (23.9 percent); Cape Verde (20.4 percent); Philippine (12.8 percent); Egyptian (11.6 percent). The other nationalities identified in the survey are here in the following percentages: the North African group (Maghreb and Libya): 7.6 percent; the Sub-Saharan African group (Cameroon, Congo, Sudan, Tanzania, and Zaire): 7 percent; the Asian group (Sri Lanka, India, and Pakistan): 5.1 percent; Somalis (4.4 percent); South Americans (Chile, Peru, Colombia, Venezuela, and Ecuador): 3.5 percent; Central Americans (El Salvador, Honduras, the Dominican Republic): 2.5 percent; Middle East (Syria and Iraq): 1.2 percent.

As for sex distribution, women are slightly less numerous than men (with 52.4 percent). When we separate this datum on the basis of nationality we can discern two groups of immigrants in which there is a clear predominance of one sex over the other. Thus, while for Cape Verdians, Central Americans, and Philipinos the female contingent accounts for 93.2, 90.9, and 85.5 percent, respectively, among North Africans, Egyptians, and Mid-Easterners the male contingent is close to 100 percent and runs at 89.5 percent for Somalis. There is some female preponderance among the Eritrean-Tigrinya-Ethiopian group (66 percent), while in the Asian and South American group the male percentage is dominant (59.1 percent and 60 percent, respectively).

There are objective economic motives connected with the "occupational gaps" common in the labor market in Lazio, and they in turn are interwoven with psychological drives whose roots are both cultural and anthropological. In those countries where the social and family structure is patriarchal, where moral and religious tradition holds it "natural" for women to be perceived as chattels while the man is perceived as the sole font of drive and energy, there are clearly strong cultural barriers inhibiting the emigration of women. On the other hand, where there are not such inhibitions, women's entry into the world of remunerative labor is encouraged by the kinds of jobs available and by the fact that domestic work is considered a feminine prerogative. In other words, the distribution by sex of immigrants is both strongly influenced by the job market and governed by more subjective or cultural factors peculiar to the country of origin.

One more datum that differentiates the position of women with regard to the job relationship from that of men has to do with the fact -- and here again we cite the ECAP-EMIN survey -- that while 89.3 percent of the women interviewed have a continuing work relationship, only 30 percent of the men interviewed could say as much.

As for the principal motivation for emigration, what drove the Eritrean-Tigrinya-Ethiopian group to leave home were political (as well as economic) considerations; the critical push was primarily linked to cultural-intellectual aspects for Somalis, Central- and South Americans, while for other nationalities, predominantly Philipinos, Cape Verdians, and North Africans, the motivation was primarily economic. Along with the difficulty of finding adequately remunerative work in the home country went the desire to provide economic assistance to the family left at home, and incidentally to take advantage of favorable exchange rates.

When it came to the distribution of immigrant workers by sector of activity, we were primarily concerned with closer scrutiny of the commonest nationalities. In domestic work we find a majority (97.1 percent) of the immigrant women; but we also find there the highest percentage of male immigrant workers (43.3 percent), partly because there are more jobs available in this sector, and partly because with food and lodging provided, it is easier to save money. Most such workers are Cape Verdians, Philipinos, and the Eritrean-Tigrinya-Ethiopian ethnic group (the male percentage among domestic workers of these nationalities is fairly high). The percentage of domestic workers with legal job contracts is also far higher than that for immigrants working in other sectors.

The educational level of people employed as domestics is far from homogeneous: the percentage of illiterates plus those who have had less than 5 years of schooling is very high (63.6 percent) among Cape Verdians, but drops to 38.8 percent among the Eritrean-Tigrinya-Ethiopian ethnic group. The Philipinos seem to have a fairly high level of education, since 85.4 percent of them have had more than 8 years of schooling.

Most of our survey of domestic workers centered on Cape Verdians, most of whom perceive their job situation as a state of segregation and

neglect. "You're shut up. You're in prison. You have no contact with the outside world. You don't live in society," says Maria M., who has worked in Italy since 1971. Santos V. echoes her complaint: "Domestic work is prison with an open door. Conditions, the relationship between employer and servant, are feudal. As they see it, you have enough to eat and drink, so you don't need any money." Working conditions as laid down in the laws are far more often breached than observed: the work-day is often longer than 10 hours; almost nobody gets the 2-hour afternoon rest period stipulated by law; the two half-days off are generally limited to a couple of hours away from the house, which often makes it impossible to attend school or vocational training courses on any regular basis. Pay may range anywhere from 130,000 lire for the greenhorn to 300,000 lire for those who have been working for a longer period or in particularly large families. Not all of them are willing to put up with such conditions: there are even some who rebel against exploitation or who manage to voice their resentment and make it stick, at least verbally, like Maria R., who, when her "lady" abused her, replied, "If you're in the business of trafficking in maids, I am not for sale, because my government is not in the slave trade."

A great many Colf* people complain of the blackmail situation to which they are constantly subjected, as dependent in almost everything (food, lodging, wages) on their employer; (Alda R. puts it cogently when she says that there are too many families who "take advantage") and having to put up, on top of it all, with the repeated threat of being "sent home" "Lately I hear this all the time: 'I'll send you back to Cape Verde,'" says Fernanda R).

Government circular 141, dated January 1980, says in clause 9: "The worker should be informed that should his work relationship be dissolved as a result of his own actions or their effect, he will immediately be returned to his country of origin, and will not be permitted to apply for another permit to work in Italy prior to expiration of 3 years from the date of the termination of that relationship." In practice, this means that he cannot change jobs, and that he is totally dependent upon his employer since, in case of "differences" between the two parties, it is highly unlikely that the authorities would allow the immigrant to stand up for his rights or to defend himself.

Even so, there are those who hope that things can gradually change for the better, thanks to more effective action by the labor unions. On this count Maria M. says: "The immigrant phenomenon is fact becoming part of the Italian workers' everyday problem: it used to be considered a thing apart from the problem of other workers. Those who are aware of what it is like to be exploited, and of what it is like for workers to have their rights denied them are starting to take an interest in immigrant problems, but the only way is through the unions, though we will have to help them, too. If nobody tells them about the problem, they have no way of knowing exactly what is going on, or of taking a hand. It is actually much more useful, practical, and true to issue a statement that brings the worker to face what he thinks and to take a hard look at the life he lives every day."

On 18 December 1980 a convention was signed between the Italian and Cape Verde governments on social security for Cape Verdian immigrants, and that was a first step toward practical recognition of these workers' rights.

As for organized leisure-time activities, a great many Cape Verdians mention the Cape Verdian Association in Italy, which helps them with administrative and work problems, etc.; some 15 percent (around 300) attend the Portuguese school. These are mainly the more aware and active among them: (Maria M. says, "the lack of education allows the employers to exploit us more"). Philipinos tend more to gather in parishes or religious associations that provide places where the immigrants can get together socially.

Eritreans and Tigrinya may attend free 5-year literacy courses in the Eritrean language (on Thursdays) and in political training (on Sundays), offered by the National Union of Eritrean Workers in Italy (UNLEI). Some 300 people attend these courses, the overwhelming majority of them women -- often over 30 years of age -- who arrived in Italy some years ago. The people who offer these courses say frankly that their aim is "not to waste intellectual potential that can be of use in building Eritrea." And so, in addition to providing the basics (literacy, the history and geography of Eritrea), the school makes it its goal to keep the folk culture alive and to inculcate a more clear-cut political awareness.

For many Eritreans the work situation is rendered extremely difficult by the fact that -- not being recognized as political refugees -- they are under the jurisdiction of the Ethiopian embassy, which will not renew passports for those most deeply compromised by their political activity, with the result that these refugees can neither obtain a work permit nor, hence, regularize their job situation, and are thus forced to accept whatever conditions are offered them.

When we look at restaurant and restaurant-related jobs, we find that the commonest nationality among immigrants employed there is Egyptian. Egyptians work as busboys, dishwashers, waiters, cooks' assistants and, on rare occasions, as cooks. Most of the jobs are to be found in small, family-owned and operated businesses which take on seasonal help during their busy season.

Night watchmen and garagemen tend to be Egyptians, too. Like the restaurant business, garage and security jobs generally carry no contract protection: we would say that not more than 15 percent of such workers have regular legal job contracts. Pay ranges from 300,000 lire to 500-600,000 lire for cooks.

Egyptians tend to rate high in education levels: 90 percent have more than 8 years schooling, and a lot of them hold high-school diplomas or college degrees. This particular social group was forced to emigrate because of the impossibility of finding employment at home; and conversely, they accept low-status jobs readily because living in a foreign

country means they are not constrained to live up to the social and cultural status concomitant with their educational standing.

Workers from the Maghreb are to be found among small merchants and craftsmen: they produce and sell hand-crafted objects of wood, straw, and leather. Emo Egoli, who heads the Italo-Arabic Friendship Association, explains the distribution difference as among sectors of activity between Egyptians and other North Africans on the basis of the disparate cultural influences to which they have been exposed: "The French-speaking Arab is more energetic, more of a go-getter, readier to take a chance, more open to ideas. Egyptians prefer to work for somebody else, conditioned as they are by a cultural environment that leads to stagnation." The cultural level of North Africans is fairly high: 66.7 percent have had more than 8 years of schooling.

The housing problem is obviously a major one for these last two categories of immigrants. As a rule, they must find shelter in cheap boardinghouses or furnished rooms, or move into apartments on the outskirts of the city or in the decaying downtown slums, sharing quarters with other immigrants. Those who work as night watchmen or in garages, however, often find housing quarters on the employer's premises.

As for medical care, possible access to the health delivery system is open only to those who have a legal work contract and thus have the proper contribution withheld from their pay. The rest must seek private care or rely on the free clinics.

Side by side with immigrants who have managed to fit into more or less stable, long-term situations are just as many underground workers, the undocumented, whose papers are often worthless, whose visas have expired, who have no sojourn permit, and who manage somehow to exist with odd jobs or day-to-day arrangements, or who are openly unemployed. Some of them are political refugees, not recognized as such by the Italian government.

These unemployed very shortly wind up in a "marginal" limbo, from which they find it very difficult to escape. Many of them sleep in railroad cars during the winter or in the parks in summer. Trying to take care of them is an outfit called the Combonian Association for Destitute Foreigners (ACSE), which provides them with a "place where somebody will listen to them and where they can get oriented," in the words of the association's coordinator, Father Renato Bresciani, described by one of his alumni as "a pillar of succor." ACSE looks for housing and jobs for these hapless people, gives them meal-tickets and clothing coupons, and deals with the red tape involved in sundry bureaucratic procedures, provides them with legal and medical aid, etc.

A good many more associations active in the "charity and assistance" activities -- carefully managed by the Vatican through the aristocratic Ladies of Charity or through the scores of religious orders -- distribute lunches, meals, cigarettes and rolls. "For people who have known only hunger for generations, even one of the plain cookies they hand out on Via Belluno is a feast," (between Via Belluno and Via Rovigo is

the headquarters of the Vatican's volunteer charity organization), is the wry comment of Aman Salim, a Turkish refugee, as he laconically sums up the problem of the jobless immigrant, "whose sole aim is to survive"; upon that problem you see the proliferation of these dozens of Catholic associations, religious congregations, and soup kitchens, thus perpetuating the immigrant's destitution even as they manages his "survival."

The words of one Tunisian ("If I had thought it would be like this, I should never have come") effectively sum up the feelings of frustration and disappointment in the face of the difficulty of finding work and at the fading of a myth (the myth of a city bursting with money and opportunities for work) on which they had pinned such fervent hopes.

* "Colf" or "colf" apparently refers to immigrants who seek and take domestic or other very low-paying jobs.

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BUSINESS, LABOR LEADERS VIEW PROPOSED GOVERNMENT PROGRAM

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[Reportage by Piet Goosen]

[Text] Rarely has a cabinet formation run such a whimsical and unpredictable a course as this one, due to the actions of Van Agt, the--even for the CDA--elusive soloist. However the formation --in its umpteenth critical phase when this paper was put to bed --turns out, the reactions of the employer and employee organizations to the tentative (?) socioeconomic policy conclusions are still of interest. ELSEVIERS WEEKBLAD has talked with their leaders.

Wim Spit (FNV [Netherlands Trade Unions Federation]): "Perhaps the impaired confidence will be gradually turned around into a reasonable degree of confidence."

Harm van der Meulen (CNV [National Federation of Christian Workers in the Netherlands]): "This is the best combination. Socio-economically there are points of dispute, but I cannot conceive that the cabinet would not get past them; that cannot happen."

Chris van Veen (VNO [Federation of Netherlands Enterprises]): "This is not an active adjustment policy, but an active retrogression policy."

A month or so ago when the CDA [Christian Democratic Appeal] got the idea of discussing the melancholy socioeconomic paragraphs of a possible government program with the employers' and employees' representatives, because they must carry out the whole wage reduction and must sell it to their people in the CAO's [collective labor agreements], the first reaction from the employers' organization VNO reached the persons (then still) engaged in the cabinet formation with a request to put the final result before a number of outside experts as well.

The PvdA [Labor Party] and D'66 [Democrats '66] did not want to hear of it. The CDA parliamentary delegation went into conference. It was decided to go along with the request, but that in a letter to the cabinet-formers and the other two parties the word "negotiate" certainly must not be used. Van Agt, the CDA leader, wrote the letter and sent it: on the basis of the outside experts' reactions it might be necessary to "negotiate" once more.

Van Agt had done it after all. This umpteenth example of acting completely on his own, over the heads of the parliamentary delegation and of Chairman Piet Bukman, led to a small revolt within the CDA delegation, but the damage was done, and you do not let a delegation leader and negotiator down. For the umpteenth time the delegation gave in to Van Agt's capriciousness.

After the socioeconomic and expert reactions came in last week, Van Agt accordingly tried to negotiate hard and to keep the PvdA and D'66 from getting on board. Not entirely without justification, for Zijlstra (Bank of the Netherlands) and Van den Beld (CPB [Central Plan Bureau] had given opinions at earlier stages--they did not have much that was new to add--so that this was merely a repetition of moves. Zijlstra wants to economize still more (12 billion guilders in the first 2 years) in public expenditures than the (tentatively) agreed upon 9.5 billion in 4 years. And while Van den Beld subscribes to the main lines of the policy to be followed, he has great doubts about the feasibility and effectiveness. Van den Beld, too, would like the overhead spending cuts to be made especially in 1982 and 1983.

The employers' organizations, united in the Council of Central Employers' Organizations, follow in the footsteps of the two outside CDA experts. They can say it in a less official and pithier style. The employers denounce the "strongly centralist and planning approach," as well as the "continuation and even intensification of a controlled, leveling wage policy," because what is needed is decentralization and differentiation (more wage differentials). And because of miscalculations and too great optimism the authorities must cut back 6.5 billion guilders more than the 9.5 billion guilders mentioned, for a total of 16 billion in 4 years' time, or 4 to 5 billion a year.

Chris van Veen, chairman of the VNO, squarely rejects the government program insofar as it is now formulated. ELSEVIERS WEEKBLAD says: "This is not an active adaptation policy, but an *active retrogression policy*."

The union federations FNV and CNV, on the other hand, are better pleased. Wim Spit, vice chairman of the FNV, says: "We shall take a constructive position." And Harm van der Meulen, chairman of the CNV: "This program agrees somewhat better with the ideas that prevail within the Christian trade union movement."

Lubbers

How are these extremely divergent opinions of the outside experts, the employers, and the employees--and the three political parties, we must not forget--to be reconciled with each other? The intellectual father of the socioeconomic views expressed in the policy conclusions, the man of the feasible, who is staking his soul and his salvation on the realization of this cabinet--but is not going to be a member of it himself--Lubbers, did see a chance of reconciling them last week. All sorts of new socioeconomic phrases flowed from his creative pen. To the amazement of many. Lubbers? What does Lubbers, who has become an ordinary CDA member of the Second Chamber again, have to do with the draft program? Thursday morning [20 August] he went through the old and new passages again with the cabinet-formers, after which the whole thing blew up again; i.e., time for feverish telephoning behind the scenes to soothe the spirits.

The divergent opinions of the experts and interest groups are not really reconcilable in a government program, of course, except at the cost of still hazier passages into which everybody can read what he likes. And the negotiations must come to an end some time, for the country must have a government, now that the outgoing cabinet no longer seems to be doing what needs to be done--make a budget.

We can still hear Van Agt saying at one of his first press conferences after the elections: "The longer the cabinet formation takes the less the outgoing cabinet will be an outgoing cabinet." He is not always right.

Insufficient

VNO Chairman Chris van Veen is crushing in his verdict on the policy conclusions: "It is a euphemism when the papers say that the sharpest criticism came from Mr Zijlstra. I thought that the most fundamental criticism came from us. Zijlstra is looking chiefly at the financing deficit. We say that elsewhere, too, an insufficiently active adaptation policy is being pursued. The wage and income policy is inadequate; indeed, in a number of respects it is *counterproductive*. We ask emphatically in this critical situation in Heaven's name not to start with a cabinet that has no adequate program."

A strong denunciation? "Yes; we must not have a deficit economy. It appears that we must choose between a cabinet with a good program and a very wobbly support in parliament, the Van Agt 1 cabinet with Specification '81, and a Van Agt 2 cabinet with a poor program and broad parliamentary support. Personally I opt for the former."

He sees precious little of an active adaptation policy for the economy in the program: the government plays too central a part, the investment reward program is worth little, the problems of the firms are reduced to a financing problem, and the leaden weight of the highly praised and greatly despised coupling mechanisms still seems not to be going into dock for repairs.

"The average firm is greatly burdened by two things: a government policy that saddles the firms, through all sorts of coupling mechanisms, with a sort of semi-political responsibility, so that they have to cope with a great mass of taxes and social premiums; and the government needs so much money itself that there is no money left over for business investments. This translates in the economic situation into a job market that has run aground, and that can be gotten afloat again only by free, decentralized negotiations, without the simultaneous necessity of dragging along the whole baggage of couplings and an army of state officials.

"By an autonomous and differentiated wage policy of your own you can again motivate people to work, even when the work is difficult or unpleasant. But you must not be hindered by competition from the state, where the minimum wage is considerably higher than in trade and industry, and by social security contributions, because wages and those contributions are basically the same."

Solidarity

Breaking through this process was the line the Wagner commission suggested, but the negotiating parties have left the coupling mechanisms intact, although it does seem to be the intention to change a point here and there. But the couplings in

income between workers, recipients of benefits, and state employees are the essential thing for the trade union movement, as an expression of solidarity between the various groups. It is precisely the realization of their existence and the demand for their retention that forces the trade union movement to accept the whole income restraint.

Van Veen considers contracting freedom necessary, when the coupling mechanisms are broken, to create a difference between the incomes of active persons and the benefits paid to the inactive. In addition, thresholds need to be set to make access to social benefits and the public sector more difficult. The job market would then begin to function better.

Van Veen: "As a consequence of an erroneous government policy in the past--overestimation of the possibilities by which we established an extremely nice social structure, and underestimation of the risks--a state hand-out pattern has gotten out of hand. So that is where you have to find the solution. The state hand-outs must be reduced and our enterprises must be given space. It means very decentralized negotiating with the people that have to do the work in the plant. And if that costs money, the authorities must not shout: 'That cannot be.'"

The employers want as little pressure as possible on the wage negotiations in the fall, to limber up the rigid wage structure and thus activate the mobility of people on the job market. But actually, as appears from the policy conclusions, there is no room for a differentiated wage policy. From the modal down to the true minimum incomes 1 percent a year is cut back on the price compensation--and the employers go along with that, but they still feel that if the (tentative) government program is carried out the true minimum incomes will lose 2 percent in purchasing power. If the struggling government combination is unwilling to have that, it will cost 1 billion guilders extra. The space for differentiation in wages can come only from the item "incidentals," for which 2 percent is calculated overall. That item relates to an elusive hodgepodge of wage raises in consequence of promotions, overtime, and statistical effects, and negotiating about a part of this "wage margin" opens the back door to too great wage increases.

The employers reject leveling--a 4 percent decline in purchasing power for the highest incomes is provided in the government plans. It sticks in their throats with the investment wage of 1 percent by which wages (which are already losing in purchasing power) are to be further reduced. The employers are willing to talk about a savings wage [i.e., profit-sharing] such as the Wagner commission had in view. But not about a compulsory investment wage for everybody, that may possibly be put in a collective pot (employment fund). Van Veen says: "The authorities must keep their fingers off that. We can tend to our own social knitting. Before you know it you will have started a great uproar about investment wages. VAD [Excess Profits Sharing Bill] and what not. If you think you can stimulate the economy that way, well, count out your winnings."

Count Themselves Rich

Taking it all in all--the new coalition, the program, the experts' opinions, and Den Uyl in the Ministry of Social Affairs Employment, which he will want to make something of, Van Veen says: "Every expert says that the program is no good for the objectives that the cabinet chooses. It would not be the first time that the socialists count themselves rich in optimism and ultimately have to count

themselves poor. I cannot imagine that a Minister of Economic Affairs, Terlouw, who is primarily responsible for restoring the economy to health, will not listen to the experts. The integrating minister for socioeconomic policy, the man that is looked to first of all, is not Mr Den Uyl, but Terlouw. If he does not do well, no matter how pretty blueprints Den Uyl makes, the disease is not going to have a favorable outcome."

Wim Kok is on vacation. When we talk with Wim Spit, vice chairman of the FNV, he has precisely 50 days left in the service of the federation, until 1 October. At the beginning of next year he will leave for Indonesia for 3 years with the NOVIB [Netherlands Organization for International Development Cooperation], to set up a structure in which development projects can thrive. "It is not so different from trade union work, you know; it is still organizing and helping people." In a big scrawl Wim Spit signs the FNV letter to the "Cabinet-formers, Messrs Kremers and Van Thijn." This letter is critical of some sections, but on the first page it says: "The FNV discerns an intention to arrive at a different policy," and on the last page: "The FNV appraises the policy conclusions, which are aimed at stimulating and renewing industry, positively."

Confidence

A more purposeful policy, a "more emphatic concern with employment," appeals to Wim Spit.

In the FNV a trace of hope and confidence glows again. The relations with the (outgoing) Van Agt cabinet were completely disrupted. Prime Minister Van Agt showed himself little interested in what the trade union movement did or did not do, and Wim Kok found it hard to forget a "lousy trick" of Albeda's. Wim Spit: "When certain persons hardly see you for 4 long years and then suddenly in the cabinet formation they say that it is so necessary to confer with you, that is regarded by us with a certain skepticism. You don't believe that so easily... But perhaps a situation has now come about in which the undermined confidence, certainly as far as the FNV is concerned, gradually changes into a reasonable degree of confidence. The willingness to consult seriously with the trade union movement has been missing in recent years. Perhaps that is changing. But real confidence must grow, must be proved."

Does the cautiously positive attitude of the FNV (a great deal still depends on a more detailed and concrete filling in of the budget for 1982; the FNV is not really willing to look further than that) mean that the union federation accepts the average decline in purchasing power of 1 percent (or more if the employers' calculations are right, and for people who incidentally are not making out very well as it is) and will incorporate it into the CAO's [collective labor agreements] for next year?

We put the same question three times in different words. Wim Spit remains vague about it, is unwilling to commit himself. "Well... we do not want to express ourselves too specifically on the income question right now, because there is so much that is not yet known. The 1982 budget is of crucial importance."

In the cabinet-formers' letter the FNV continues to claim price compensation *plus* increase in productivity as wage cost trends, albeit with a reservation concerning the uncertain economic developments. To the trade union movement, and certainly to some hawkish unions, it seems rather painful to establish 1 percent

"negative play" for wages in the collective labor agreements. There is always the inclination, or the pressure, to get as much as possible out of the wage negotiations.

Wim Spit: "That is not so self-evident, either... I am not saying at all that this situation is comfortable for the trade union movement. But what I think is underestimated is that the trade union movement in a constructive way strongly takes account of the general trend, and that it looks not only at an immediate CAO result, but also at solidarity with state employees and recipients of social benefits. There is a willingness to look beyond its own garden fence, and the employers and the authorities should show some understanding and play along with that. Love cannot come from only one side."

How can there be more work, and how can the work be better distributed among the people? That is the cardinal question for the FNV. "Must we again rely on good luck that when you leave money in the firm it will hopefully be converted some day into employment, or can reasonable agreements be made about that? About expansion of jobs, reduction of hours, and part-time jobs. That must be made clear and specific in the negotiations."

As an employment policy comes to have more effect, the scope of social benefits will diminish, purchasing power will increase, and according to Spit there will be less tension all around. But you do not create work with paper employment plans. "Let us be realistic. What the Netherlands can do, it must do, but if there is no change internationally, in interest rates in America for example, it will be incredibly difficult. If the unemployment figure over the next 4 years stays significantly below the forecast of 500,000, I will think the policy followed has had results."

How do you really arrive at more employment? How do you create extra work, by what industrial policy? Hard questions. Wim Spit believes that the Wagner commission's recommendations must be given a chance. But will it yield more jobs in industry? The automation process is continuing. An ever greater gap is developing between the unskilled and a handful of super-experts. But industry creates prosperity. With a fair taxation and distribution technique employment could be created elsewhere. There are plenty of subjects for expanding employment, but the trick is to find the financial basis for them, according to Spit.

Stabilization of the collective charges and the financing deficit at 4.5 percent. The Planning Bureau doubts the feasibility of the Hague compromise that was cooked up with so much difficulty; Zijlstra wants much greater cutbacks and a lower financing deficit (down to 4 percent). The employers want that, too--and in the course of a few years even a reduction in the collective charges.

Wim Spit sees it differently. In fact, he considers everything subordinate to the main objective of employment. "Nobody will assert that the financing deficit need not be reduced, but the question is with how much fanaticism that is done. If it becomes the only goal and a means of salvation in itself, to which everything else is subordinated, you solve some problems on one side, but on the other side you soon have tenfold more problems to offset the gain. The primary angle of incidence must be and must continue to be employment. You have to work on the financing deficit in such a way that it makes a contribution to the solution of the employment problem. Against that background the question is whether the three parties are not too ambitious to reduce the financing deficit."

It is too bad that Harm van der Meulen, the chairman of the CNV, was on vacation when posts as ministers and secretaries of state and names were being tossed around in a not very careful game of cards; otherwise Lou de Graaf would surely have remained as secretary of state [for social affairs]. Three times Den Uyl had given assurance that Lou de Graaf could stay, and three times Van Agt had said no on his own hook. To the fury of the CDA parliamentary delegation, but then... the CDA delegation proposes and Van Agt disposes.

When Harm van der Meulen, a man with many CDA contacts and cordial telephone conversations, returned, he pulled right and left at the bellrope.

Harm van der Meulen: "It is not merely a matter of persons. I feel that the CDA should have stayed at the heart of the socioeconomic policy. It does not fit in with the CDA concept of distributed responsibility to turn the whole socioeconomic sector, which is under pressure, over to others. Besides, I think there is nobody to be found in the PvdA that has Lou de Graaf's expertise. Technically he has all of the social security programs at the tip of his fingers. He knows precisely how the processes take place in the executing agencies. And once he takes something into his head he is willing to fight for it. And he does not waver."

Applause

The private "Lou must stay" campaign met with applause in the CDA delegation, and Van Agt had to go to Den Uyl with his tail between his legs and ask whether it could still be done. "But I understood that Den Uyl would now say: 'I offered it to you three times, you said no three times, and now I have asked another and can no longer turn the thing around.' I understand that, and I have directed no reproaches at the PvdA," Van der Meulen says.

But he finds the CDA's shuffling around with persons a miserable affair. All those names tossed around. One is too much of a lightweight, another would fit more comfortably into a different ministry than where he is now. "I find it ethically unjustified."

He is somewhat afraid that the opinions of capital and labor, or of the experts, will be used as an alibi or as a lever to keep this cabinet from being formed. "That has never been the CDA's intention," he says significantly. The policy conclusions fit in with the ideas current in the Christian trade union movement. Combatting unemployment, strengthening industry, a more focused industrial policy --the CNV is in agreement with all that. But Harm van der Meulen does not yet see a real industrial policy that offers prospects for the future. "I cannot supply one, either, you understand," he adds.

There is a shortage of private initiatives; there are some, but they do not get off the ground satisfactorily. Hence the CNV idea of pouring investment wages into an employment fund, which the parties have vaguely adopted. But not entirely. For in addition to wages from the workers, the professional groups, the doctor and the architect, must make a contribution, and nothing has been said about that. But if it is only a matter of investment wages of the workers, Harm van der Meulen is willing to negotiate freely about that; then "we will not allow it to be imposed on us. The whole income policy, of course, is on the vague side."

The CNV has still other critical notes. There must be 9.5 billion guilders' worth of cutbacks, two thirds of that amount in social security and welfare benefits and state employees' salaries. "We find that completely unfair."

And there is no emergency plan in case the predicted economic growth falls short. What then? A question that the employers' organizations also ask.

Van der Meulen: "But even though it is not all fireproof, shrinkproof, and watertight, I think the new cabinet simply must try it. Unlike Van Veen, I would rather have a plan with a few question marks, just so we all put our backs into it. I have never read such a detailed government program before.

"I think this is the best combination. But then all the distrustful elements must be gotten out of it. The atmosphere of suspicion is no basis for doing anything toward combatting unemployment. Socioeconomically, of course, there are still disputed points, but I could not understand it if this cabinet did not come through; that must not happen."

8 Percent?

The CNV accepts the decline in purchasing power for the minimum and modal incomes, but wants to set the highest incomes at minus five (policy conclusions: minus 4). Minus 1 percent for the minimum incomes Van der Meulen says is the bottom limit. "CDA'ers say they cannot guarantee it. I once asked: Suppose it were minus 2 for the real minimum incomes; then what would incomes four times the modal have to contribute? Arithmetically that would have to be an 8 percent drop in purchasing power, but the CDA'ers do not say that. They look at you with a somewhat foolish expression and say: 'No, of course not; that cannot be.'"

Harm van der Meulen, like the FNV, will not commit himself to a multi-year minus line, such as is in the policy conclusions. "For I think the second, third, and fourth years are of decisive significance for our people. If it should really turn out that the motor of the economy starts turning again, then you can better appeal to people to accept a decline in purchasing power once more; then the policy will have had success. But if it all produces nothing, the appeal you can make to people will not be especially strong."

Will the trade union movement be able to convince its members of the necessity of a decline in purchasing power next year? For Harm van der Meulen there is no question about it. "Many people have a good understanding of the economic situation the country and their company are in. They see what is happening in their plant, see the stocks pile up. They are also afraid that today or tomorrow they may be summoned by the management with the announcement that it cannot go on this way any longer. If the purchasing power schedule looks right (minus 1 to minus 5 [percent]), our members will be understanding about it.

"For I think that a trade union movement that is concerned only with wages has finally had its day; it will not last into the 1990's. We must concern ourselves more with nonmaterial matters such as security, health, a part in decision-making, social policy, and humanization of work."

Van der Meulen is quite in agreement with the idea that the financing deficit should be reduced, for as it is no state policy can be pursued any longer, but

economies must not be sought solely in sectors that the authorities have a firm grip on, such as state employees and recipients of benefits. He says that flinty agreements on stabilization of the collective charges are a great danger. If the social premiums must be raised next year by 2 percent, if none of the unemployed and beneficiaries of the WAO [Law on Labor Disability] are given jobs, the agreement will automatically have consequences for the benefits, which will have to go down. Then you must find out whether the workers are not willing to pay higher premiums out of solidarity. "If stabilization takes place at the cost of the benefits, we say: We are not yet ready to go so far."

Sermons

A statement that is diametrically opposed to Zijlstra's penitential sermons. "But Zijlstra, of course, has only looked at it from the point of view of safeguarding the Netherlands currency. Zijlstra does not need to consider whether a thing is attainable, whether it is socially acceptable. He is concerned only with monetary matters. There is nothing in his report about welfare."

Zijlstra doubtless reasoned: once the economy is running well again, public and social developments will straighten out by themselves. Van der Meulen: "If you change course as sharply as he wants to do, it is questionable whether the economy will run well. I believe that social acceptance is also an enormously important motive force for getting out of the slump. If all sorts of things are not accepted and the black money circuit simply grows greater, why what progress will we make that way?"

Harm van der Meulen gives the new cabinet the benefit of the doubt.

"Although I do find it problematical, you know. It is the cabinet of distrust, and that will not do. I hope they will talk it all out quietly later. So much needs to be cleaned up."

The wage negotiations will come in the fall, and perhaps by then we shall have a cabinet. The trade union movement and the employers once again want to pursue a coordinated (united) policy on working conditions. If it were known precisely what plans the authorities have specifically for next year, each one would find out in his own club whether he can get the authority to go to the Labor Foundation with basic recommendations. Employers, FNV, and CNV still welcome free negotiations. Wim Spit adds: "Not absolutely free. Freedom within bounds, with willingness to come to agreements in fairness." And Harm van der Meulen says: "I prefer to speak of negotiating responsibly, taking account of the objectives, such as combatting unemployment and maintaining the coupling mechanisms."

Overall

All parties are for overall agreements at the central level, with certain margins that can then be filled in by decentralized negotiations at the industry and company levels. Van Veen and Van der Meulen in particular emphasize decentralized negotiations. The latter also says: "I do not believe in the desirability of those firm agreements. We cannot bind our people, and neither can the employers."

In the wage negotiations, price compensation will be the main subject. Van der Meulen considers an initial wage demand above that as "completely ruled out." According to the policy conclusions a 1 percent reduction must be applied to the

price compensation because of losses on a barter basis (import prices are rising faster than export prices). Will that be agreed to in the CAO's? According to Van der Meulen it should not be. "I do not need to agree that the reduction will be 1 percent; that will come out automatically. If prices rise sharply and employment does not improve significantly, you get increased premiums and then you automatically come out with less. We have been seeing that for some years."

A method that Van Veen would find unfortunate. The employers have repeatedly tried to lower the price compensation (especially as concerns energy price rises), but they have not succeeded. If Van der Meulen has his way, there will still be no question of a breakthrough.

"It is not clear in the documents what sort of wage policy the parties are facing. The 1 percent decline in purchasing power is negotiable, but if we do not get out of it, does a wage ceiling hang over our heads?" Harm van der Meulen is still wondering.

The wage negotiations will begin late, too late. The employment plan of Den Uyl, the new Minister of Social Affairs and Employment, is to be ready by 1 December. That really leaves only 1 month to conclude collective contracts--much too short, according to Harm van der Meulen.

The employment plan could expand into a broad, comprehensive, indicative, socio-economic plan, to come out each spring before the budget is established. That way the ideas of De Pous, chairman of the SER [Social and Economic Council] and of Albeda would finally begin to take shape. The FNV and the CNV are in favor.

The socioeconomic relationships would thus also become visible *in time*. The relationships between the objectives and the (limited) possibilities. So at least something would have been gained.

8815

CSO: 3105/170

BANKING SECTOR FORECASTS STAGNANT ECONOMY IN SHORT TERM

Madrid YA in Spanish 28 Jul 81 pp 23-24

[Text] Although information about the present state of the Spanish economy is being requested by various social and economic sectors, the economic report of the Ministry of Economy for June seems destined not to be made public, even though it has already been prepared, from all indications. Fortunately or unfortunately, depending on how you look at it, this lack of official information is usually offset by the reports prepared by the research departments of major banks. YA has had access to a very recent internal research document prepared by the economic advisory staff of the Bancaya group under the title "Economic Situation and Short-Term Prospects." We have reproduced it below almost in its entirety because of its undeniable importance and current interest:

In the second half of 1981 and in the first half of 1982--the document states--the depressed trend of world economic activity will continue. In the second half of 1981, the stagnation--or even a crash--of economic activity in Europe will barely be offset by the continued rate of activity in the United States. In the first half of 1982, the respective positions of the United States and Europe will change, in the sense that European economic activity will recover to a certain extent, especially in Germany and France. In the case of Spain, this development will mean an approximate growth of export markets of 6 to 7 percent during the next two 6-month periods.

Economic Activity and Employment

The effects of the drought and the unusual character of the 1980 harvest will cause a drop in agricultural production of approximately 4 percent for this year. The primary sector's results may negatively affect the growth of the GDP [Gross Domestic Product] by some 0.3 percentage points. The growth of the GDP for 1981 thus implies a considerable recovery of nonagricultural sectors for the entire year (approximate growth of 2 percent in 1981, compared with 0.5 percent in 1980).

The growth of industrial activity (excluding construction) in the first half of 1981 was practically nil or slightly positive in comparison with the same period last year. The rise of production levels was mainly in the capital goods sector, with

the exception of transportation equipment. The sector's estimates, however, reflect the depressed development of both demand and production.

The increase in the demand for capital goods investment seems to be confirmed by the results of surveys on industrial investment expectations. Among the major productive sectors, it is the chemicals sector which seems to show the clearest signs of recovery. Prospects for the consumer and intermediate goods industries also remain depressed in the first half of 1981. Among these sectors, however, the food and building materials industries showed mild signs of recovery.

There are certain signs of an improvement in the construction sector: the growth of orders in the building materials industry, an apparent increase in the consumption of cement and an increase in estimates of contracting levels. This improvement seems to be concentrated in the industrial construction sector, however, with the housing sector remaining depressed; only the number of officially guaranteed dwellings started showed a significant increase beginning in the final quarter of last year, although this recovery does not appear to be clearly established for the future, judging at least from the number of officially guaranteed dwellings planned (i.e., officially approved by the Association of Architects).

Estimates for the entire year indicate an acceleration of economic activity in the second half of the year. Industrial activity (excluding construction) should be stimulated, first of all, by the continued recovery of investments (attracted by better prospects of profitability and a somewhat more stable outlook, not to mention the effect of public investment and the implementation of sectorial plans, such as energy) and, secondly, by the predicted increase in exports for the second half of the year. The optimistic outlook for industrial construction, which is linked to industrial investment plans, will foreseeably continue and it is possible that the housing construction plan will have some positive effect on the sector's recovery.

A lower reduction of employment has been forecast because of a lower reduction of wage earners in the private sector than that recorded for 1980. The rate of decline of salaried employment continued and even rose at times in the first quarter. The unemployment figures recorded for the second quarter, however, seem to reflect the beginning of the predicted change in the declining trend of employment. This improvement is partly due to seasonal factors, as in the services sector from the effect of tourism, but the impact on employment is also due to the recovery of activity in the construction sector.

Prices and Wages

The forecast growth of wages in general for 1981, similar to that for 1980, has one significant difference, however, with regard to their composition: the smaller growth of wages per person employed is offset by the smaller reduction of employment. Thus, and due to the greater predicted growth of the GDP, the increase in the unit wage cost will slow down again in 1981.

A growth of 15.2 percent for the CPI [Consumer Price Index] has been forecast for 1981, slightly less than that recorded for 1980. This development is due to a strong rise in food prices (affected by farm prices), which is more than offset by the decline of prices of other products. The predicted decline of prices of products other

than food is explained by the previously mentioned deceleration of the unit wage cost and by the decline of international market prices in dollars (including petroleum). Despite the significant drop in the rate of exchange, this makes it possible to predict a smaller growth of import prices in pesetas than during last year.

Foreign Trade Sector

In the first half of 1981, the peseta declined strongly in relation to the dollar, similar to what happened to all European currencies (the exchange rate with respect to the dollar has risen from an average value of 79 pesetas/dollar in December 1980 to 94.6 pesetas/dollar in June 1981, whereas the peseta's effective exchange rate within the EEC has remained relatively stable). Considering the outlook for the U.S. economy, it is predicted that the peseta's average exchange rate with respect to the dollar will be more or less stable in the second half of the year.

This hypothesis implies an average exchange rate of 91 pesetas/dollar for 1981 (depreciation of 27 percent in comparison to 1980) and a purely mechanical, upward impact on domestic prices of approximately 4.5 percentage points. On the other hand, the peseta's rapid depreciation with respect to the dollar during the first half of 1980 has led to an adverse development of the real ratio of exchange, which partly explains the unfavorable foreign trade results in the first part of the year.

However, the foreign trade data for the first 4 months of this year show a decline of Spanish exports in real terms, probably linked to the depression of our export markets in the second part of 1980 and their slow recovery in the first half of 1981. A significant recovery of exports in the second half of 1981 is foreseeable, however, due both to the delayed effect of the peseta's depreciation in the first half of the year and to the predicted accelerated growth of our export markets in the second part of the year.

Imports also declined in real terms during the first 4 months, as a result of the large accumulation of inventories during the preceding year, sluggish economic activity in the first part of 1981 and deterioration of the real ratio of exchange. The average growth for this year, although it will probably be positive, will be considerably less than in 1980 (since all of these factors, although to a lesser extent, will continue to affect it throughout the year).

The surplus of supplies in petroleum markets has caused a decline in crude oil prices. In view of the new situation, it is estimated that the average price of petroleum imported by Spain in 1981 will be \$35 per barrel instead of \$38 per barrel, as in the previous forecast. Based on the new estimate, the 1981 oil bill will be about \$12.500 billion, i.e., \$1.300 billion more than in 1980, but about \$1.000 billion less than the estimate based on previous forecasts.

Budget Policy

Nonfinancial public expenses (determined on the basis of payments arranged for both the current budget and the period of expansion) continued to develop in the first quarter of 1981 at a rate relatively close to the initial budget estimates for the entire year, although this development includes the existence of deferred expenses (mainly for wages) to be paid sometime during the remainder of the year.

The weak growth of wages is due to the delay in paying expenses corresponding to pensioners, whose interannual growth in the first quarter (current budget) was negative. This delay is largely due to legal provisions requiring that pensions cannot be updated until pensioners declare the number and amount of same. On the other hand, wages of working personnel in the first quarter increased substantially more than the rate initially estimated for the entire year and the budget was also implemented to a greater extent than in the first quarter of 1980.

The growth of current transfers in the first quarter, although quite a bit higher than the budget estimates for the entire year, means that the budget has been implemented to about 25 percent of what would have resulted from application of the ministerial directive of 1 September 1981, which stipulates that the budget will be implemented by twelfths of the funds for current transfers. However, it should be pointed out that the extent to which the budget has been implemented in the case of current transfers to INEM [expansion unknown] and RENFE [Spanish National Railroads] is exceptionally high. Transfers to INEM in the first quarter (12.1 percent of all current transfers budgeted for 1981), almost all of which were intended to finance the government's portion of unemployment insurance (40 percent), amounted to 44 percent of the funds allocated for 1981. On the other hand, 41.5 percent of RENFE subsidies (6.3 percent of current transfers budgeted for 1981) was implemented in the first quarter. This means that, almost with certainty, expenses for both unemployment assistance and for RENFE subsidies for the current year will increase much more than was initially estimated.

The growth rate of government investments under the current budget was considerably lower in the first quarter than that scheduled for the entire year and the budget was also implemented to a lesser extent than in the first quarter of 1980, although this was not the case for transfers of capital. When the total amount of scheduled payments (including the period of expansion) is examined, however, investment growth is approximately the same as that scheduled for 1981 and the growth of capital transfers is slower.

The significance of the figures for the government deficit and its financing for part of the year is limited, since they are based on the discontinuous time profile of both nonfinancial revenues and the use of domestic or foreign borrowing. Actually, the data concerning the cash deficit and its financing for the January-May period show smaller deviations with respect to the amount budgeted than during the same period in 1980. However, the development of certain expense items (certain personnel expenses, unemployment assistance, etc.) make it possible to anticipate a minimum figure of 500 billion pesetas for necessary government financing in 1981.

On the other hand, the particular administrative allocation of expenses and financing for unemployment insurance could make it possible for the budget imbalance attributable to that expense item to be reflected either in the government accounts of autonomous agencies or Social Security, which necessitates considering the deficit of those public agencies together as a group, which could amount to approximately 700 billion pesetas for the entire year of 1981.

Monetary Policy

In the first 4 months of the year, there was a steady decline in the growth of money in circulation (with respect to the same month last year, the growth of liquid assets

declined steadily from 16 percent in 1980 to 15 percent in 1981) to considerably below the principal target (corresponding to an interannual growth of 16.7 percent for 1981). However, this development in the amount of money in circulation includes a number of significant changes in the economy's financial structure.

First of all, a strong deceleration has been noted in the growth of the banking system's credit in pesetas. This decline has been accompanied by a strong increase in pesetas from the representative banking system's credit in foreign currency (largely reflecting the peseta's depreciation with respect to the dollar), which explains why the total growth of the banking system's credit to the private sector (in both pesetas and foreign currency), although it has slowed slightly, has maintained growth rates close to the targets established (between 3 and 4 percentage points of real growth in comparison to the same month last year).

A very strong increase in the use of foreign financing (with the exception of representative banking) has also been noted. The impact of the significant use of foreign currency financing (whether through resident or nonresident establishments) on the creation of the monetary base has not been expansive in nature, however, due to the considerable deficit of the current balance of trade.

The public sector's use of financing from the Bank of Spain in the first 4 months increased greatly, paralleling the growth of the public deficit, the absence of public debt issues during the first 4 months of the year and the government's still partial use of foreign financing during that period.

The strong expansion of the monetary base, caused by the public sector, has been offset by the Bank of Spain's compensatory policy, mainly through the investment of treasury bonds in the banking system. The significant increase in treasury bonds is partly due to monetary policy management requirements (the Bank of Spain's desire to maintain its "stock" of regulatory credits at a certain level), but it also reflects the drop in the demand for credit (since bonds are used as a profitable liquidity refuge for the banking system and as a reserve for handling the recovery of investment demand should that occur).

The significant increase in resident foreign banking's share of total credit considerably modifies the economic significance of money market interest rates. Foreign banking's use of the interbank market as the principal supply of resources (for domestic banking, this market is used for marginal financing intended to adjust the ratio) implies an increasing reduction of money market rates for customers. This phenomenon, as well as the foreseeable greater liberalization of financial transfers abroad, will also contribute to the gradual alignment of the Spanish money market's interest rates with those of international money markets (a phenomenon which is already taking place).

The structure of total financing by budget sector (public and private) in the first 4 months of 1981 (in comparison to the same period in 1980) showed a significant increase in the relative amount of financing for the public sector. This "displacement" of the private sector by the public sector is a significant reflection of the low pressure of the private sector's demand for financing (mainly for credit in pesetas).

The strong decline in the demand for credit in pesetas during the first 4 months can be explained in various ways:

First of all, as stated, it reflects a change in the economy's financial structure, with a notable increase in foreign financing.

Second, it reflects the sluggishness of economic activity in the first part of the year.

Third, it may reflect an improvement in the treasury status of companies which have completed their adjustment to the crisis.

Finally, it may be due to an increase in intercompany credit as a result of the high cost of discounting bills (which would partly explain the major change in the vouchers-bills ratio recorded starting in 1979).

The available data for May show a change in the declining growth rate of liquid assets (over the same month for last year), which has been observed since January (the increase in the amount of money in circulation over May 1980 was 15.5 percent). In May there was also a slight increase in the growth rate of the banking system's net assets, which could indicate a certain recovery of banking credit in pesetas. On the other hand, in May the interbank market showed a break in the rising trend of foreign banking's debt position in that market, which may indicate a drop in foreign banking's share of the credit market as a result of high money market interest rates.

IMPLEMENTATION OF 1981 STATE BUDGET

Development of Public Spending (%)

	1981/80 Growth (Initial Estimate)	Growth 1st Qtr. 81/1st Qtr 80 (Scheduled Payments)*
NONFINANCIAL EXPENSES	23.4	23.4
Current Expenses	21.2	21.9
Wages	20.9	11.2
Transfers	22.6	35.2
Other Current Expenses	16.2	12.4
Capital Expenses	31.2	28.6
Investments	26.8	27.6
Transfers	34.3	29.1

*Referring to current budget and period of expansion

Development of Deficit Financing (millions of pesetas)

	1981 Total (Init. Est.)	Jan.-May 1981 (Liquidation)	Jan.-May 1980 (Liquidation)
(1) Need for Financing	-391.9		
(2) Net acquisition of financial assets, debt repayment and seignorage	- 43.7	-224.1	-155.2
(3) = (1) + (2) Balance to be financed	-435.6	-224.1	-155.2
(4) = -(3) Gross Financing	435.6	224.1	155.2
Public Debt Issue	120	30	22
Foreign Loans	70	26.7	--
Bank of Spain Advances	245.6	167.4	133.2

Deficit of Public Agencies

1981 (millions of pesetas)

	Initial Deficit	CN [expansion unknown] Deficit (Estimate)
State	-391.9	-500
OAA [expansion unknown]	- 9.6	-100
Central Government	-401.5	-600
Social Security	3.6	- 50
Local Corporations		
PUBLIC AGENCIES	-397.9	-650*

*Deficit forecast of the A.P. [Public Agencies] (excluding Local Corporations)

11915

CSO: 3110/132

CALL MADE FOR ESTABLISHMENT OF MARITIME MINISTRY

Istanbul DUNYA in Turkish 15 Jul 81 p 12

[Text] Turkish Union of Shipowners [TUS] President Ziya Kalkavan said that Turkish maritime transport could assume its expected position only if a Ministry of Maritime Commerce were established.

Speaking on behalf of TUS members at a meeting on shipping problems held in Ankara last week under the chairmanship of National Security Council [NSC] member and Naval Forces Commander Adm Nejat Tumer and attended by NSC Chairman and Head of State Gen Kenan Evren, Ziya Kalkavan said, "We are calling at this meeting for the establishment of a Chamber of Maritime Commerce and for the establishment of a Ministry of Maritime Commerce as well." Stating that maritime shipping problems could not be solved with the Ministry of Transportation and Communications, to which they had been attached to date, Kalkavan said:

"We come under the Ministry of Transportation and Communications, but sufficient interest is not shown in us shipowners for the development of Turkish maritime shipping. There are many ministries which could easily handle our affairs, but we cannot conduct our business under the Ministry of Transportation and Communications. Employees there do not even want to talk to us."

Ziya Kalkavan said that they felt the need for an organization to solve their problems on a timely basis and bring them together under one roof and that they were calling at the meeting in Ankara for the establishment of a Ministry of Maritime Commerce. He continued as follows:

"We have conveyed our request for a Ministry of Maritime Commerce and a Chamber of Maritime Commerce attached to it to the head of state and the commander of the Naval Forces. I do not know what they will decide. But I think the Chamber of Maritime Commerce is a must from the standpoint of developing Turkish maritime shipping. There is also a need for interministerial coordination."

Also addressing the meeting in Ankara, TUS General Secretary Fuat Miras said that they were asking for revision of the bylaws, which were drawn up in 1927 according to the conditions of that time, and that the classification of personnel employed on ships needed to be reviewed. Noting that personnel required on steamships in accordance with the 1927 bylaws were not needed today but still had to be employed,

and if they were not on board, ships had to wait for days in port, causing a loss of foreign exchange to the country, Fuat Miras said:

"There is no need for employees such as cabin boys, polishers and wireless operators on ships today. We are hiring 80-year-old retired sailors on modern ships just to fill these positions. We bring these retirees on board because they are the only ones who can show that they have performed these jobs. If we do not do this, our ships have to wait unnecessarily for port space and every day we wait costs \$1,500. A ship that has to wait 1 week loses \$10,500 and the wait is usually around a week."

Contending that these losses were caused only by the lack of up-to-date bylaws, Miras noted that they have to have an 18-man crew on 3-ton ships, while in countries with developed merchant fleets like Norway, the crew for the same type of ship with the same tonnage was set at 12. "In Turkey, where we have a shortage of skilled seamen, this kind of requirement is a hindrance to maritime shipping," he said.

8349

CSO: 4654/97

TOKER ASSESSES NEW ECONOMIC HORIZONS

Istanbul MILLIYET in Turkish 6 Sep 81 p 8

[Editorial by Metin Toker: "Full Or Empty!"]

[Text] Turkey is a multifaceted country. If you, as a Turk, examine certain things, you will be proud. You see some things and weep bitterly. The point is that they are the same things. The difference arises from your perspective. If you come from Athens to Istanbul, the state of Yesilkoy Airport shocks you. But if you come from Tehran, a comparison of Yesilkoy with Mehrabad Airbad prompts you to say, "No, sir, we are still far ahead of them." It's the same with Istanbul traffic and its taxis. If it's Vienna you go to, then Istanbul disgusts you. But if you are going to Beirut, there is an order in that Istanbul traffic, a seriousness. There is really no way to describe it.

I am very sensitive to these perceptions when I am returning to Turkey from the West or the East.

We hear and read various judgements regarding the Turkish economy. In general foreign observers of late, like US NEWS AND WORLD REPORT, are saying, "Turkey is improving with surprising speed." Both the Germans and the Americans are saying this. The IMF, the World Bank, OECD, and foreign institutions are saying this. And there are certain concrete indicators: our increasing exports and declining inflation.

On the other hand--I am not talking about circles that have troubled Turgut Ozal--gripes, complaints, and an outpouring of sorrows are coming from within and they have sound reasons. Certainly the civil servant, retiree, and the individual on a fixed income are sick of the high cost of living of which price hikes have been a daily occurrence. The industrialist is looking for the "good old days" while criticizing the high and continually escalating cost of credit. Nowadays it's very hard to make a living and no matter what he manufactures the market is cool to it. He is compelled to search for markets other than domestic ones and this is difficult for him.

There are those who answer the charge that Turkish industry has grown in a distorted manner by saying, "But had this industry not existed, we would not have witnessed its contribution to our current extrication from the foreign exchange bottleneck." What is being forgotten is that had industry not grown in a distorted way, the Turkish economy would not be in this predicament. Had it held

a true course starting in the 1950's when we were capital and resource-rich, the end of the 1970's would have seen Turkey in the straits into which only West Europe was thrust. Namely, the troubles of an industrialized nation...At any rate if the present conjuncture is taken as basis, both views are valid from their respective points of reference.

A different for pride comes in our examination of what we have done. Today we are manufacturing and selling abroad what we could not make and had to purchase abroad 10 years ago. The appearance of our industry has changed radically. But a great many items that we manufacture--for example, from refrigerators that freeze up but don't make ice to screws that give from doors leaving the knocker in your hand and even to kitchen appliances that are forever breaking--justifiably suggest to certain souls the pessimistic view that "We are quite simply beyond hope."

The truth of the matter is that Turkey is like a half-filled water glass. Given your perception, you can say its half full...or half empty. The aim, however, is to put more water into it.

Within the last year certain simple facts--simple because they are obvious--have gradually become clearer. Important steps have gradually been taken toward the actuating the facts. The administration and the head of state in particular are giving this great emphasis.

In the first place, Turkey's distorted industry must be shifted to firm foundations. The only regional country to establish a food industry is Turkey, owing to natural conditions. Recent petroleum development has been itself forged a "capital-rich client" circle around our country. A market can be glutted with refrigerators, buses, steel structures, and bench drills. In fact, this has become the case in Turkey with certain items. There is a fearsome competition in these items on foreign markets that is stacked against from the standpoints of price and quality. But no "saturation" exists in the food industries market. The reason is that people are eaters and drinkers and new mouths by the millions are added each year. It is not mere coincidence that last week Turkey's two largest holding companies and the two most influential business leaders, Vehbi Koc and Sakip Sabanci, issued to their own establishments a directive for "transition to agrarian industries." They are businessmen who have perceptively recognized the wave of the future. Turkish economy and industry have thus come to a turning point. The ever-escalating complaints today have figured in other turning points. When looking at assembly in the automotive industry, are the complaints of car importers any less? But the biggest of these, acting wisely, was himself the first to adopt a new tack. The same thing will happen (with others) during this turning point. Even the state is encouraging and supporting this in every way and having its untenable regulations rapidly modernized.

Turkey's new horizon--the agrarian, husbandry, mining, and tourism industries--will be so broad that to succeed perhaps even the holding companies will not be able to do it working independently. Our holding companies are accustomed to working as consortiums. But exigencies spur realistic businessmen onto new habits. As a matter of fact, it is indicative of the change in criteria that Koc and Eczacibasi has a "joint venture" with a U.S. firm for oil exploration. "Indigenous

holding companies, foreign capital, and know-how" is a formula that has a promising future. Anyhow, it is known that several companies have started these operations.

With regard to present industry, it has been put to the whip but it is still far behind its capacity. It hopes to alter its fate by complaining and then again settle down into lethargy. But suppose this entire sector were told, "It serves you right."

We don't have a lot of data on the economy. I do want to quote from a note I have: "We ask what is the general export capacity of Turkish industry. In this area we have no inventory whatsoever. However, if, by simple computation, our industry's contribution to national revenues and an idle capacity of 40 percent are taken into account, we come up with a figure of 10 billion dollars. This means that both market and capacity exist but that there are no sales."

Even cracking the whip has been unable to push this lazy and parasitic sector into opening up to the outside. Although the annual export of industrial goods was 785 million dollars in 1979, this figure fell to 721 million dollars in just the first 5 months of 1981. Moreover, a significant portion of these goods are sold by Turkish industrialists to Turkish contractors working abroad. Many "big businessmen" still have not set foot in countries that are prime markets but lack the sensational climate of Paris or Rome. The state--that is, the taxpayer--abundantly subsidizes this sector. Cheap credit and ample incentive measures have caused it to burgeon to the extent that it can now exist by finding sufficient resources all by itself through its own efforts, pluck, initiative, and imagination. This sector has flourished. The state's contribution to it is now merely to cut bureaucratic red tape and provide the facilities to speed its "transactions." Don't let an exporter be ruined in Ankara or at customs stations. Allow him that much. The state must now in all earnestness get behind "Turkey's new horizons."

Let no one despair: It isn't going to dry up the cow's milk. The cow has a world of milk, but the cow expects the owner to milk her properly.

CSO: 4654/157

UNSTRUCTURED REGULATIONS SAID DAMAGING EXPORTS

Istanbul DUNYA in Turkish 14 Jul 81 p 5

[Text] Transturk Export Corporation, a gold-medal winner with \$5,667,451 in foreign exchange earnings in the Istanbul Chamber of Commerce's list of successful exporters, expects to have \$25 million in exports by the end of the year.

Transturk Export Corporation buys cereal grains, legumes, raw cotton and nuts directly from the markets and sells them to Italy, Spain, France, Switzerland and Middle Eastern and Eastern Bloc nations. Its exports as of the end of May 1981 were already \$12.5 million.

Transturk Export Corporation General Director Orhan Isik, stressing the great changes between 1980 and 1981, noted that the changes in concepts and beliefs would reflect on exportation and that this reflection was developing positively. Pointing out that the crisis of regime between 1976 and 1980 had reduced the economy to a cypher, Orhan Isik said:

"12 September brought exports a much sounder working milieu. The 24 January decisions were in place for the most part. Of course, when Turkey's problems are resolved, export programs go more smoothly. The large industrial establishments built between 1954 and 1974 had created export potential for Turkey, but it became an abnormal industrialization serving only the domestic market because of the inability to work efficiently. Now almost all of these situations have been corrected and industry has achieved a capacity to be able to sell abroad. With our industrial and agricultural potential together we are able to produce for export. From now on, the exporters are in business. We are doing everything we can with these resources, working hard to earn foreign exchange for the country."

Transturk Export General Director Orhan Isik said that taking steps toward the transition to convertibility and releasing exports for encouragement had put the export potential in motion, but that despite the new decisions, frequent changes in the export regime prohibited exporters from carrying out the program. Orhan Isik made the following statement about this:

"In addition to the large number of decisions affecting the export regime, the changes being made momentarily put us in a difficult position. As soon as we adapt to all the new decisions, a new decision comes out cancelling the old one. As

As exporters, we would ask the government, when adopting certain decisions, to consult with a few people who know this business to avoid difficulties and losses which arise later. Decisions pertaining to the regime should not be changed so often, then we exporters could carry out the programs much better and with more assurance for the future."

Stressing the need for tighter government measures on prefinancing, General Director Isik contended that the financing spigots should be opened for the genuine exporters and closed to the fakes. Noting the credits received prior to exportation were being used poorly, Isik said the following:

"Either credit should not be given to anyone who says, 'I'm an exporter' or much tighter follow-up should apply. Export financing received at 20 percent interest is deposited in the banks as savings, and everything after the 20 percent due for interest is deducted becomes extra earnings for the one receiving the credit. Heavy interest penalties apply to anyone who cannot realize his exports, however, and when those who do not understand this system learn how it works, they either go to other exporters and beg them to market their goods or they go bankrupt. To prevent this situation, as I said before, everyone who receives export financing should be tightly controlled."

Transturk Export Corporation has received a gold medal every year since the Istanbul Chamber of Commerce and the Exporters' Union began giving medals to successful exporters and now has 12 gold medals and excellence awards, having taken the first place medal for highest exports for 5 years. General Director Orhan Isik called for amendment of the Law on Protecting the Value of Turkish Currency, which is suspended as a sword of Damocles at the throat of Turkish exporters, to allow full convertibility and for recognition of export freedom. Noting that these things would take time, Isik said that our export potential could look forward to much better days than at present.

8349

CSO: 4654/97

BREAKNECK COMPETITION FOR STATE CONTRACTS NOTED

Istanbul DUNYA in Turkish 15 Jul 81 p 1

[Text] The Turkish Construction Contractors Employers' Union (TIMSE) is saying that contracts won on excessively low bids will be drawn out and has called for prevention of underbidding in construction contracts offered by public administrations and organizations.

A TIMSE statement on the topic points out that it is a recognized fact that contract commissions award contracts to such contractors knowing what the outcome will be and says the following:

"The contracting system is important to the Public Housing Law which the National Security Council [NSC] has drafted and placed at the service of our nation, and this irregularity in the system must be eliminated.

"The competent authorities must take quick legal measures to prevent the losses that our nation will suffer from the behavior of these contractors who cannot control themselves, submitting unrealistic bids in haste and panic.

"The jobs in the 1981 investment program are being underbid by around 40 percent, and adding to this a 15-percent underestimate on expenses such as labor, insurance and field costs the underbid comes to 55 percent; in other words, cost estimates are more than half too low."

Treasury Suffers

The statement notes that it can be determined at the beginning whether the jobs of those who offer cut-rate prices can be completed and that contracts awarded at cut rates are giving the "green light" for putting the Treasury in the red. It continues as follows:

"Article 36 of the provisions of Law No 22 amending article 36 of Bid, Tender and Contract Law No 2490 adopts the principle of reasonable cost and, although statements attributed to our distinguished head of state and our prime minister stress the need to award contracts not to the lowest bidder but to the one able to succeed, contracts are being awarded on incredibly low bids, virtually deliberately giving a green light to unfinished construction and putting the Treasury further in

the red. However, we believe that, until new legal arrangements can be made, the Finance and Public Works Ministries could resolve the reasonable cost principle in short order by giving the necessary instructions to contract officers for the completion of contract jobs and to prevent further losses to the Treasury."

Chamber

The last part of the statement, where it is recalled that a proposed law for the establishment of Turkish chambers and unions of construction and installation contractors has been presented by TIMSE to the NSC, the prime ministry, the ministries and authorities concerned, points out that contractors who failed to get documents from the chambers that would be established would be unable to bid on contracts and since contractors would be registered it would be impossible for them to mishandle government contracts. The statement ends with the following appeal:

"We would like to stress once more in the interest of overcoming the bottlenecks in Turkish economic life and especially the construction sector, the need for:

"--Urgent implementation of the reasonable cost principle which finds expression in article 36 of the decree in Statute No 22,

"--Attention to be paid to the proposals we have submitted to the competent authorities on the State Contract Law which is now under revision, and

"--Putting into final form and enacting the proposed law which we first submitted to the competent authorities on 23 May 1981 on the Turkish Chambers and Union of Construction and Installation Contractors."

8349

CSO: 4654/97

PUBLIC HOUSING FINANCIAL GUIDELINES DISCLOSED

Istanbul MILLIYET in Turkish 15 Jul 81 p 12

[Text] Ankara, Special--Turkish Real Estate Credit Bank General Director Cemal Kulu said that the public housing law is a reform law and represents the first step toward solution of the housing problem. He noted that preparation of the guidelines for implementation of the law was under way.

Kulu held a press conference yesterday to give information on the Public Housing Law which went into effect last week. He said the public housing fund envisaged in the law was the largest fund in the history of the republic and that this fund would be used judiciously to produce as much housing as possible. When implementation begins, the cost of housing construction will be cheaper, home lot speculation will be prevented and development of systems for rapid housing production will be promoted, he noted.

Kulu pointed out that the Real Estate Credit Bank will handle the housing fund and said that public housing areas would be designated by the ministry, that bids would be accepted for contracts on the areas, that projects would be forwarded to the ministry and the ministry would set approximate construction costs. He explained that the citizen desiring a home in a public housing establishment would go to the bank, explain his desire and open a home savings account. The bank will forward his papers to the Real Estate Credit Bank, which must examine these documents in 1 year and make preliminary assignments. When the housing is completed, the ministry will inform the citizen of his home ownership status, based upon information provided by the Real Estate Credit Bank.

Kulu pointed out that the law establishing the Real Estate Credit Bank was being revised and updated and would be sent to the ministry for approval soon. He explained the conditions for obtaining housing as follows:

"Citizens wishing to own a 85 m² apartment in public housing in communities with a population up to 500,000 will deposit 200,000 liras in a bank. The approximate building cost for such housing has been set at 1 million liras, and the bank will give 300,000 liras' home savings credit on it. The sale price of the housing will be 1.2 million liras and 700,000 liras' credit will be opened from the public housing fund. It will be determined in this connection whether the above citizen meets the qualifications and, if so, he will become a home owner.

"The citizen in communities with population in excess of 500,00 who also wants the 1 million-lira, 85 m² housing will deposit 220,000 liras in a bank and the bank will give him 330,000 liras' home savings credit. For the approximate cost of the home, which would be set at 1.2 million liras, 650,000 liras' home credit would be opened from the public housing fund, thus the citizen would owe the bank 330,000 liras and the fund, 650,000 liras.

"The loan amounts will change according to the housing size, which varies between 85 m² and 100 m²."

8349

CSO: 4654/97

BRIEFS

GOLD, SILVER DEPOSITS--Diyarbakir (HHA)--Gold and silver deposits have now been found in the village of Maden in Sirvan [district] where rich copper deposits amounting to 30 million tons were discovered earlier. It was announced that an organization was to be formed to exploit the gold and silver ore discovered in the "M-95, M-96 and M-97" shafts as well as the copper discovered earlier. Meanwhile, a 250 million lira contract has been awarded to the Highways [Directorate General] for the building of a highway to connect Sirvan to Siirt. It was learned that an American technical delegation will come to Sirvan in the near future to study the gold and silver deposits. According to information obtained, gold and silver bore-samples were found in three shafts during drilling carried out to determine precise reserves for the rich copper deposits discovered as a result of seismic exploration in Sirvan's Maden village. At this point, work was shifted to gold and silver exploration. Officials said that according to current data it is estimated that Maden village has 250 tons of gold and 1,500 tons of silver reserves and that confirmed reserves will be established in October. The gold and silver bore-samples which were obtained will be sent to Ankara for laboratory analysis to determine their grade. It is indicated that drilling carried out in the "M-95, M-96 and M-97" shafts presently yields 5 percent gold, 25 percent silver, 50 percent copper and 20 percent clay. Meanwhile, officials indicated that in addition to Maden village, work has been initiated in Hedyogan village, also in Sirvan, and that they had begun drilling in this village. [Istanbul HURRIYET in Turkish 24 Aug 81 pp 1, 13]

GOLD RESERVES--Ankara (ANKA)--After quite a long time, gold and foreign exchange holdings have once again risen to the \$1.2 billion level. It is estimated that gold comprises \$58.9 million of the unpledged holdings and that unpledged foreign exchange amounts to approximately \$1.049 billion. According to data evaluated, the rise in the Central Bank's unpledged foreign exchange holdings was influenced particularly by the heavy influx of workers' remittances. In fact, during the 7-14 August period, unpledged foreign exchange holdings rose by approximately \$220.1 million. In the first week of August, foreign exchange [holdings] rose by about \$25.2 million and usable foreign exchange [holdings] grew by \$245.3 million in the first half of August alone. With this increase, foreign exchange [holdings] are \$226.1 million above the level which existed at the beginning of 1981. According to Central Bank data, as of 14 August the bank's foreign exchange obligations amounted to a total of \$4,546.5 million, of which \$244.7 million to foreign correspondents. [Text] [Istanbul HURRIYET in Turkish 25 Aug 81 p 3]

TRADE WITH BULGARIA--It is reported that in the last 10 years, trade between Turkey and Bulgaria has increased 10-fold. A statement made on the occasion of the opening of the pavilion of the Bulgarian People's Republic at the Izmir International Ataturk Fair indicated that the [matter of] reciprocal payments had been resolved in a positive way. The statement said the following: "Trade between Bulgaria and Turkey has increased 10-fold in the last 10 years. The protocol signed in the spring of this year resolved [the matter of] reciprocal payments in a positive way. This protocol indicated ways by which to achieve a balance in the trade between the two countries. In particular, the industrial cooperation in the area of electric and diesel motor forklift, lathe and cutting tool production has been very valuable. In addition, the agreement pertaining to the setting up of the Usak Ore Enrichment Factory, which is slated to begin operating by the end of the year, is being successfully implemented." [Text] [Istanbul GUNAYDIN in Turkish 23 Aug 81 p 6]

CSO: 4654/153

POLL ON ATTITUDES OF LINGUISTIC COMMUNITIES

Brussels LE SOIR in French 25 Aug 81 p 2

[Article by Xavier Mabille: "Walloons, Flemish, and Inhabitants of Brussels Each Have the Feeling of Being Placed in the Minority, Feeling They Are Belgians but Not Unitary"]

[Text] Even when they are carried out with all desirable precision, public opinion polls do not always produce new information. Often, they only confirm that which one already knew intuitively or which one knew on other scientific bases; opinion polls are only one out of a number of techniques which can be used by sociology.

The main interest of opinion polls is that they provide a measure of what they study -- political attitudes, for example -- and this interest will be even greater if the regular repetition of the operations allows one to make comparisons over time.

All of these considerations led CRISP [Center for Socio-Political Research and Information] to include in its regular publications the results of studies concerning "Public Opinion and Community Problems," carried out by researchers at the ULB [Free University of Brussels] and the UCL [Catholic University of Louvain], under the leadership of Professors M. Delruelle and A.-P. Frognier.*

This study throws a new light on numerous problems, specifically: Fourons, Brussels ... It is not possible to summarize them in a single article, but we can try to provide the general picture.

All Minorities, Not Equally

There is a point on which Walloons, Flemish and inhabitants of Brussels agree completely: they are in a minority position.

* Our colleague LA CITE has recently picked up the main data of this study. The original study can be found in the COURIER HEBDOMADAIRE, published by CRISP, No 880 of 9 May 1980 (Regioscope I) and No 927-928 of 3 July 1981 (Regioscope II).

At the end of "Regioscope I," the question was asked: don't each of the three regions suffer a feeling of being placed in the minority?

"Regioscope II" provided the response: it is yes. Both at the level of decision making and at the budgetary level, each of the three regions feels at a disadvantage.

This is the opinion of 54.4 percent of the inhabitants of Brussels concerning both the budget allocated to their region and their weight in important decisions.

It is the opinion of a small absolute majority (51 percent) of the Flemish with regard to their budget, and of a relative majority (45.1 percent) of the Flemish in terms of their weight in decision making.

It is the opinion of nearly half the Walloons: 49.7 percent in terms of the budget, 48.1 percent in terms of weight in decision making.

Responses to the same questions also throw light on the relationships between the regions.

A majority of the Flemish dispute the idea that the inhabitants of Brussels and the Walloons are at a disadvantage. This majority is on the order of 52.5 percent with regard to the Brussels region, and lies between 55 and 60 percent in terms of the Walloon region.

A majority of the inhabitants of Brussels (approximately three quarters of them) and of the Walloons (more than two-thirds) dispute the idea that the Flemish are at a disadvantage.

Hence, the relationships between the Flemish on the one hand, and the inhabitants of Brussels and the Walloons on the other, are based on a mutual refusal to recognize possible disadvantages.

Relations between the inhabitants of Brussels and the Walloons are more complex. Approximately 45 percent of the Walloons were silent or did not respond to the question concerning possible disadvantages suffered by the Brussels region. On the other hand, 4 out of every 10 inhabitants of Brussels shared the opinion of nearly half the Walloons on the possible disadvantages suffered by the Walloon region.

If all the Belgians then are placed in a minority, all of them are not equally in a minority. The inhabitants of Brussels are more numerous than the others in having this feeling, and the rather massive abstentions of the Walloons with regard to the inhabitants of Brussels deprives them of outside support they may well need.

This analysis of the feeling of being placed in a minority can be studied more thoroughly thanks to the responses provided to questions on the use of language, on job opportunities within the region, on job openings in the administration, and on the number of elected officials.

The authors of the report very pertinently noted that few capitals in the world have to share the position of Brussels as a place where the inhabitants most feel they are in the minority.

Contradiction in Flemish Attitudes

The main interest of the study lies in the comparison it makes possible between the feeling of belonging more to one community than to the others (the Belgians as a group, community, region ...) and the options in terms of the form, more unitary or more federal, of the state.

The results are complex.

There is at the same time an increase in the feeling of belonging to the Belgians as a group, and a decrease in the unitary tendency. This double movement occurs especially in the Flanders.

There is a majority among the inhabitants of Brussels (53.6 percent in 1979 and in 1980) and among the Walloons (53.8 percent in 1979 and 54.6 percent in 1980) who feel that they belong first of all to the Belgians as a group.

Only a minority of the Flemish gives the same response to this question, but this minority is on the increase, going from 32.9 percent in 1979 to 37.8 percent in 1980.

This development must be seen in relation to that concerning the form of the state.

As a rule, the unitarian positions are on the decline: from 27.4 percent to 23.5 percent in the Flanders, from 45.2 percent to 41.8 percent in Brussels, and from 41.4 percent to 33.8 percent in Wallonia.

The federal positions, on the other hand, appear to be on the rise in the Flanders (from 26.7 percent to 29.4 percent), but on the decline in Brussels (from 27.8 percent to 24.1 percent) and in Wallonia (from 28.2 percent to 26.6 percent).

This paradoxical phenomenon noted in the Flanders is due primarily to apparently contradictory responses by the same respondents. At first sight, one might figure that it is illogical to be at the same time, on the one hand inclined to feel that one belongs more to the Belgians as a group and, on the other hand, less unitary. One might wonder with the authors whether at least some of these paradoxical responses do not translate the idea that, in order to survive, Belgium will need a thorough reform of its form of state.

What is striking is the fact that the Flanders, more so than Brussels and Wallonia, is divided among opinions of which none is in the majority nor close to being there. This could represent the lack of determination of a community to which both autonomy and the unitary form of state would offer advantages, depending on the case. It also reflects the uncertainties of the Flemish parties -- and particularly of the most important one among them -- in the face of choices which have to be made in a definitive or at least durable manner.

What is also striking is the fact that the change in attitudes between "Regioscope I" and "Regioscope II" occurred primarily in the Flanders. This confirms an observation which has already been made in electoral sociology: the percentage of external mobility -- that is to say, an estimate of the minimum number of voters who change their vote from one election to the next --, which traditionally has been

higher in Brussels and in Wallonia, was higher in the Flanders at the time of the legislative elections of December 1978.

Doubt, Indifference of Francophones

Finally, it must be noted that in Brussels and Wallonia, the decrease in unitary tendencies is not translated into an increase in federalist tendencies, but into a substantial increase in the "no opinion" or "no response" categories. Both in terms of the question about belonging and the one about federalism, the French speakers clearly take more refuge in doubt or in disinterest than the Flemish. There is a blind spot here: that which can neither be grasped nor measured -- the question of the survival of the state itself.

We have undoubtedly said enough to demonstrate the value of these studies, which cannot possibly be summarized here; and to demonstrate the value in pursuing them.

Political sociology is not meteorology, but the weather remains cloudy to overcast over the community ridges.

8463

CSO: 3100/925

DENKTAS SAYS LAND IN NORTH 'BARELY SUFFICIENT'

Nicosia HALKIN SESI in Turkish 14 Jul 81 pp 1,7

[Text] (AA)--TCFS [Turkish Cypriot Federated State] Chairman Rauf Denktas said that no pen will sign an agreement that leaves the Greek Cypriots the area that extends as far as Guzelyurt, Limnitis, the Larnaca-Nicosia road, and the Nicosia-Famagusta road.

While answering reporters' questions about the American plan, which has been mentioned frequently in recent days, and about articles on the subject that are appearing in the Greek Cypriot press, Denktas spoke about the repeated stories that Turkey agrees to a 28-percent share of the land on Cyprus. He said:

"We have not received such information. This is something that rests in the dreams of the Greek Cypriots. Turkey cannot make a decision and enter into a contract without informing us about this topic, which is so closely related to the security of our lives and property. The figure of 28-30 percent was a percentage uttered by and dwelt upon by Makarios. However, the land problem cannot be solved by percentages. The land in the north is barely sufficient to support our people. We spoke long ago about altering the border. In 1975 and 1976, villages in some areas within our borders were empty. We told them that we would give them up, to come and take them, but they rejected the offer. We told them that if our people settled in these places, we would not allow them to become refugees again, but they did not understand."

Denktas objected again to realising the borders, not to compensation for the land. He said, "Our people cannot be forced to move once more. Even our motherland does not ask this of us, because it well knows that destruction will follow close behind."

Denktas, who pointed out that the Greek Cypriot leaders mentioned 200,000 refugees, reported that the accurate number of total Greek Cypriot refugees is 110,000. He went on, "In Makarios' time, the number of refugees that was estimated would return to their homes was 10 percent or about 10,000 to 12,000. Now, the new leaders find it appropriate to add another zero to this figure. We cannot pay attention to this."

Denktas noted that 65,000 Turkish Cypriots migrated to the north under the population exchange agreement and repeated that the refugee issue was "closed." In response to the question, "What do you have to say about written reports that all of the area as far as Guzelyurt, Limnitis, the Larnaca-Nicosia road, and the Nicosia-Famagusta road will be restored to the Greek Cypriots?" Denktas said:

"These are nothing but imaginings. It would be different if an agreement to that effect were reached. No pen of ours will sign such an agreement. The land in the north is barely sufficient for our community to live humanely. And this community will not migrate again."

11673

CSO: 4654/124

SIRMEN EXAMINES POST-ELECTION CYPRUS

Istanbul CUMHURİYET in Turkish 24 Jul 81 p 3

[Article by Ali Sirmen]

[Text] TCFS [Turkish Cypriot Federated State] Chairman Rauf Denktas came to Ankara this week and held talks with Turkish administrators. The TCFS chairman's Ankara trip occurs at a time when important developments are taking place on Cyprus.

Developments on Cyprus are multifaceted. Before everything else, the area in which the island is located has been transformed, through the efforts of Menachem Begin and supported by the Reagan administration, into a completely dangerous place where trouble could break out at any moment. In addition, although the Iranian-Iraqi war has lost the momentum it had in the first days, a solution still has not been able to be reached and, consequently, tension in the area has increased.

It was precisely during this period that Washington's patented formulas for the talks between the communities on Cyprus began to be spoken of constantly as offering the possibility of a basic solution.

The domestic situations within the two communities are extremely significant. The elections that were held one after the other in the Greek and Turkish sectors of Cyprus resulted in no changes in the structures of the governments, but did create new parliamentary mathematics that benefit the forces within the oppositions.

In the Greek Cypriot sector, Clerides' rightist force, which did not gain political support in past elections, this time was stronger and took a place within the political life of the community while AKEL [Restorative Party of the Working People] on the left also increased its number of votes and seats.

Election results in the TCFS showed a strengthening of the wing that is to the left of the government.

Now, both administrations, before taking steps to discuss and solve the problems that exist between them, are making an effort to become accustomed to and put into order the new situations within their own domestic systems.

In such an environment, it is easy to understand the necessity for each administration to devote its attention to its own domestic system and to expend its energy on organizing its situation quickly.

However, what is difficult to understand is the passion to overcome the problems brought about by the new parliamentary mathematics through the use of harsh and repressive methods.

We saw the results of this type of behavior in the Greek Cypriot sector or, more accurately, throughout Cyprus 7 years ago when the Greek Cypriot administration was in power. We believe that the Greek Cypriot administration and all the powers that make up the political life of that sector must have analyzed well the mistakes that cost them so dearly in the past; that, henceforth, solutions similar to those of 1974 do not look so desirable; and that they are even beginning to feel determined to oppose that type of solution.

What a pity that it is not possible to say that the Denktas administration consciously behaves in this manner to the same degree. When there is the smallest change in parliamentary mathematics that makes it more difficult for their own administration to function, the TCFS chairman and his colleagues immediately begin to complain about the misuse of freedoms.

Self-government within the Turkish Cypriot community is based on a 7-year-long experiment. If the "peace action" had not taken place, it would not be possible to speak about Turkish Cypriots' freedoms nor even to speak about their existence as a community. It is natural that a small community that lived under repression for years and that had no economic, social, or political rights would meet with grave difficulties in its new life.

These difficulties have grown even more serious as a result of the TCFS's being thrown into utter isolation through the superior tactics employed by the Greek Cypriot administration and by Greece in the international arena and because of the mistakes made by past governments in Turkey, which is its only economic and political supporter. However, the balance sheet from the 7 years since the peace action took place shows several positive aspects to offset the liabilities of all the mistakes that were made. As is known, the TCFS continues to exist, and the democratic, parliamentary system has succeeded in surviving under difficult economic conditions within the most chaotic environment. Furthermore, the anarchy and terrorism that were seen in Turkey did not take place within the TCFS.

The experiment of the past 7 years is proof that, despite all difficulties, despite extreme accusations from both the opposition and Denktas' government front, and despite the habit of putting forth unsupported claims, problems in the TCFS can be solved within the democratic system.

Looking at this evidence, then, to select a plan that appears extremely easy at first glance in the TCFS and in Turkey, but that would inherently create even greater problems the moment it was implemented would bring to naught 7 years of labor and would, at the same time, invalidate the meaning of the peace action.

All of us are forced to pay a great deal of attention to Cyprus.

Powers in Turkey must avoid actions and proposals that encourage taking the easy way out and must repeat patiently that the correct solution lies within democracy.

The opposition on Cyprus must see clearly what trouble it is causing itself when it firmly and cold-bloodedly acts to negate these efforts. It must reach the understanding that political tension will not benefit it at all at this time.

As for the government front under Denktas' leadership, it must be careful to remain far from a solution that appears easy at first glance.

The greatest responsibility for this falls on Denktas. Denktas has the power to use his own status to direct others to such an end.

It is also Denktas who would benefit the most from using this power on the correct path. This is because when everything calmed down following the confusion that would be created once the rules of the game were unheeded, it would be seen that it was the current TCFS chairman that stirred up the trouble.

Yet, Denktas, who today is burdened with this important duty, has the opportunity to take a positive place in history by confronting all the mistakes and paternalist actions, following the rules of the game, defending the point of view of the Turkish Cypriot community in an effective manner in the international arena, and succeeding in efforts to reach a solution.

Now, everyone is waiting with interest to find out whether or not Denktas will destroy this chance with his own hands.

11673

CSO: 4654/124

CALL MADE FOR NUP-CLP COOPERATION

Nicosia BOZKURT in Turkish 17 Jul 81 p 1

[Text] If we deeply believed that democracy is a system of reconciliation,

If we possessed the virtue of holding service to the people and solution of problems of the people before partisan beliefs,

And if our heads were out of the clouds long enough that the will of the people forced all the members of the legislative assembly to enter, within an atmosphere of love and respect, an honest dialogue that produced results in the direction set forth by the general elections, it would not be difficult to find a specific solution to the problem that has troubled the entire community in recent days.

What is the problem? It is to find a mathematical solution for the deadlocked assembly, to make the legislative body able to work, and to create a government that is based on a solid foundation.

In the face of domestic and foreign problems that are piled high as a mountain, not one of us has the luxury of causing democracy to lose its qualities through partisan or sympathetic actions.

Neither the community nor the political situation is powerful enough to withstand a lack of government, government crises, or identical answers to all questions that come before the assembly. The responsibility of being able to overcome our domestic and foreign problems requires a strong legislative and executive organ that has solidarity and that is effective. The people also want this.

Requirements of the critical situation and acquiescence to the people's wishes render categorical cooperation between the NUP [National Unity Party] and the CLP [Communal Liberation Party] inescapable considering the indisputable realities of the mathematics of the current assembly.

Both political parties must stop alienating each other with partisan and sympathizing approaches and must engage in a dialogue that produces results.

As we stressed in a commentary published earlier, the major thought must be the effectiveness of a government that is healthy, long-lived, and successful, and an NUP-CLP coalition must be nurtured.

This is the will of the people. Too, the situation that exists requires this.

Those who disagree will be forced to give an accounting to both the people and history for the irresponsibility of their partisanship. We are issuing our warning before everything reaches an impasse, before steps are taken that are impossible to retrace.

11673

CSO: 4654/124

WISCHNEWSKI DEFENDS SPD RELATIONSHIP WITH U.S.

Frankfurt FRANKFURTER ALLGEMEINE in German 20 Aug 81 p 2

[Article by ban.: "SPD Favors a Good Relationship with America — 'Anything That Happens on German Soil Calls For Agreement'"]

[Text] Bonn, 19 August — SPD Deputy Chairman Wischniewski responded on Wednesday to Union CDU/CSU charges regarding anti-American and neutralist sentiments in the SPD. Wischniewski said the Social Democrats are interested in a good and enduring relationship with the United States; in this regard he referred to appropriate work groups of the SPD parliamentary group in the Bundestag and of the SPD Executive Board. He noted that the security of the Federal Republic depends upon Washington's policies. It would not be possible to bring about the "urgently necessary" military parity without the United States. Referring to Union criticism of the attitude of Social Democrats toward Washington's decision to build the neutron bomb, Wischniewski said that this attitude is in essence shared by the remaining states of Western Europe. It is based above all on how Washington arrived at its decision. In answering the Union parties, Wischniewski pointed out a "cautiously" developing debate these days in America over whether new intercontinental weapons systems should be deployed on United States territory or in the air.

As SPD Chairman Brandt and SPD politician Bahr had done before him, Wischniewski explained the German interests which must also be preserved within the NATO alliance. Among them is the fact that the Federal Republic is surrounded by nine neighboring states, while the United States has only two neighbors. He said that we must live in peace with all the states that encircle the Federal Republic, whether they were classified as belonging to NATO or the Warsaw Pact or whether they adopted a neutral status. Also of concern to German foreign policy is the desire to keep open the transit routes to Berlin as well as to broaden human contacts with the GDR. Wischniewski said that the SPD subscribed to the principle of "approximate parity." He noted, however, that the greatest military potential in the world is positioned in Central Europe.

Wischniewski acknowledged that the United States will decide on its own regarding the production of neutron bombs. But he called for "complete agreement" between Bonn and Washington when it comes to stationing them on German soil; Wischniewski used the terms "consultation" and "codetermination" in this context. In assessing the opposition's attitude toward stationing the bomb in Germany, he said that the Union is dropping "out when it comes to the preservation of German interests," and that

the SPD would have to take up the slack. To be sure, he said the Social Democrats did not want to "be abusive" toward the Americans in this matter; rather, our conduct must be directed toward gaining as much influence as possible over decisions affecting the FRG. He said there is no hesitation when it comes to the principle that "everything that happens on German soil calls for complete agreement."

FDP politician Helga Schuchardt remarked on Wednesday that the neutron bomb would "lower the threshold of an atomic war." She called on the government to inform Washington that Bonn considers the stationing of this weapon on German soil to be out of the question.

The deputy chairman of the CDU/CSU group in the Bundestag, Dregger, had said that morning in a radio interview that the Union's position on matters of security policy was that of the chancellor and the foreign minister. Genscher, too, had spoken recently of common interests shared by government and opposition in the realm of alliance policy.

Dregger also discussed with Radio Germany his position on stationing the neutron bomb in the FRG. He said the Federal Republic has the option of offsetting Soviet superiority in conventional weapons by building up its own tank force, but that this would be too costly. His view is that if the Soviet Union fails to disarm, and the FRG is unable to build up its tank force, "the neutron bomb is the only thing" left that would preclude the possibility of a "blitzkrieg" by the Soviet Union.

7458
CSO: 3103/418

VENNAMO SEEKS TO GIVE RURAL PARTY YOUNGER, MODERATE IMAGE

Helsinki HELSINGIN SANOMAT in Finnish 10 Aug 81 p 3

[Article by Arto Astikainen: "Party Seeks New Image"]

[Text] Under Veikko Vennamo's leadership the Rural Party was considered to be a party which derived its energy from opposition to Urho Kekkonen, the criticism of other parties, and the unfulfilled expectations of forgotten small farmers and war veterans.

Vennamoism meant large demands, colorful speeches, thousands of initiatives, old men, dark terylene clothing, a strong faith in one's own cause and leadership, also sometimes deep conflicts, hatred, and promissory notes.

Vennamoism was not to be trusted with respect to foreign policy and was scoffed at with respect to domestic policy. For the members of the SMP [Finnish Rural Party] Vennamoism was an inspiring ideology -- a people's movement, which promoted the cause of a small group of people.

Pekka Vennamo, 36, has now led his father's party for 2 years and with the help of academic assistants he has managed to give Vennamoism a slightly new image even though the party's basic nature is exactly the same as before.

With a definite purpose in mind Pekka Vennamo has begun to eliminate the foreign policy blemishes from the party. The SMP's leader reiterates the importance of work for peace and the dangers of the arms race and supports Leonid Brezhnev's peace initiative just as eagerly as Conservative Party youth.

"The SMP is always for peace and against war. In this respect we are not or we cannot be neutral," stated Pekka Vennamo in Seinäjoki almost quoting Urho Kekkonen.

Warmth and Neighborliness Held In Value

The party's youth leader Matti Rutonen went up to the podium to praise even by name Urho Kekkonen's wise foreign policy. He was applauded.

Also a registration had been placed on the wall of the meeting hall for all to see: SMP - work for peace.

Besides the issue of peace, other soft lines were introduced into the Vennamoite ideology and vocabulary at Seinajoki. Pekka Vennamo's SMP now considers the quality of life to be important. Held in value are warmth and neighborliness, biodynamic cultivation, a clean environment, toxic-free food, healthy living habits, and small farm and forest plots. Issues to be condemned are nuclear power and a competitive standard of living.

Conflicts and bitterness, talk of separation, and accusations of corruption have faded away at least for the time being. The SMP's membership was now agreeable and taciturn.

While Pekka Vennamo has been in office, praising of the party leader has declined somewhat. No one talked about the "Messiah" now, but people remembered to thank and praise Veikko Vennamo in nearly all of the speeches by the rank and file.

Veikko Vennamo remained silent in the meeting hall. His colorful language with respect to decadence, infiltration, the supremacy of the K-line, the cancer of abuse, spiritual decline, and power cliques was heard only at the evening festivities on video tapes or cassette tapes being offered for sale. Enforced socialism, political deals, tax exploitation, and manor house domination still remained in the party program even though a softer line was adopted in the manner of all the other parties.

Latest Fashions

Along with the inclusion of youth in the Rural Party come the latest fashions, but the basic Vennamoite continues to be the gray haired war veteran, small farmer, part-time lumberjack, driver, and unassuming farm housewife dressed in dark terylene.

Ministers, directors, city leaders, architects, and professors do not attend SMP meetings. There one will find only those average men and women who have fought and worked hard.

10576

CSD: 3107/120

RURAL PARTY CONGRESS BACKS KEKKONEN FOREIGN POLICY

Helsinki HELSINGIN SANOMAT in Finnish 10 Aug 81 p 3

[Article by Arto Astikainen: "Finnish Rural Party Is the Party of the Oxeye Daisy"]

[Text] Seinajoki--On Sunday in Seinajoki the Finnish Rural Party named the oxeye daisy as its symbol and at the conclusion of its congress approved approximately twenty resolutions, in which the SMP [Finnish Rural Party] presents hundreds of demands to the state concerning all possible aspects of life. The oxeye daisy party once again promised to eliminate unemployment in the country within 3 months. It is only a question of making the arrangements when honorary chairman Veikko Vennamo is chosen as labor minister, states the SMP.

The oxeye daisy, which grows wild in all parts of Finland, symbolizes the SMP's ideology and environmental protection spirit, states the party in justifying this choice. The party rank and file gave the new flower only tepid applause.

The thorny red rose of the SDP, the Conservative Party's bachelor's button, the Center Party's four leaf clover, and the two wheat ears of the Communists continue to remain in the political bouquet of flowers.

The SMP's party office and committee machinery produced so many resolutions that those attending the congress did not even have time to read them all before the end of the congress. In these resolutions the SMP reiterated years old demands and views presented by the party leadership on Saturday.

The SMP demands normal presidential elections in 1984. MP's who are permitted to miss voting session in the Diet should be denied their salary and all full sessions of the Diet should be broadcast directly over the radio. Lapps should be given a statutory place in the Diet just as the representatives from the Aland Islands have.

The leadership of Valmet should be changed, a referendum should be held on nuclear power, a ceiling of 17 pennies should be placed on the local tax unit, and the state should arrange for urban children a chance to touch domestic farm animals since an affection demonstrated toward animals prevents the development of a violent nature, demands the SMP in addition to hundreds of other issues.

In its foreign policy platform the SMP notes that "the foreign policy line being carried out by our country is correct". The SMP also states it trusts the Soviet Union's Leninist foreign policy and treaties. The party hopes that "individuals who use the weapon of foreign policy to frighten and deceive people will be removed from the country's positions of leadership".

On Sunday the SMP elected a new party body of delegates, whose number increased by eight. The new positions went to women, young people, workers, the trade union division, and to the temperance movement that is awakening in the party.

10576

CSO: 3107/120

RURAL PARTY CONGRESS WOULD SEE NEW CABINET, PRESIDENT

Helsinki HELSINGIN SANOMAT in Finnish 9 Aug 81 p 3

[Article by Arto Astikainen: "Finnish Rural Party Will Not Allow Kekkonen to Continue"]

[Text] Seinajoki--The Rural Party wants a new government for Finland as soon as possible since the present "Koivisto-Pekkala-Saarto people's front government is only a ministerial discussion group hanging on to power by the frenzy of despair". There is also another high level change on the list of goals for the SMP [Finnish Rural Party]: the party does not want President Urho Kekkonen to continue as president beyond 1984.

Chairman Pekka Vennamo, who was elected as leader of the SMP for the third time, presented the party's goals regarding a change of government at the SMP's 23rd Congress, which began in Seinajoki on Saturday.

In an hour long opening speech Pekka Vennamo expressed amazement that Kekkonen's name continues to be brought up and that there is even talk about an exception law, even though Kekkonen has clearly declared that he will no longer be available for the next presidential elections.

"The SMP considers that this is truly the case and that our long-term president should finally be able to enjoy his well-deserved retirement. All attempts to persuade him to the contrary should be stopped immediately," stated Vennamo.

According to Vennamo the SMP wants a real selection process for the presidential elections and the party will not approve a continuation term for Kekkonen.

"The SMP will put forth a candidate who will enjoy the wide support of the people in the next presidential elections," promised Pekka Vennamo. Vennamo did not go so far as to say who this individual will be.

"Mauno Koivisto (Social Democrat) is one possibility, I would not exclude him," stated Pekka Vennamo, but even Veikko Vennamo has stated that he would be available if the interest of the people so requires.

Veikko Vennamo has been a presidential candidate of the SMP two times, in 1968 and 1978.

Party Secretary Urpo Leppanen guessed that Koivisto will hardly be offended if he is elected president by the electoral votes of the SMP.

"A Disgusting Karjalainen"

According to Pekka Vennamo foreign policy weapons have once again been dug up in the presidential campaign.

"An outright disgusting example of this was given by Ahti Karjalainen, who was even ready to dig up the night-of-frost [reference to an attempted coup d'etat] skeleton out of the closet in order to cover up his own personal problems."

Pekka Vennamo christened the present government as the Koivisto-Pekkala-Saarto people's front government, which for more than 2 years already has jumped over the fence at the lowest spots. In Pekka Vennamo's opinion the Koivisto government is no longer a force promoting the development of the country and, therefore, the Finnish people deserve a better government as soon as possible. However, Vennamo still has no proposal for a new government.

"The Viipuri Delegation"

In adhering to an old custom the SMP chairman thoroughly criticized all the other political parties in his speech to the congress.

According to Pekka Vennamo at SDP congresses the emphasis is on "running by leaps" instead of social development work. The Conservative Party has a hysterical desire to be in the government and, therefore, its party congresses have concentrated on festivities with evening attire. Vennamo called the Center Party a party grabbing for positions of power and one of skillful tactics.

"The party is led by Vayrynen with his supporters while, on the other hand, Chairman Virolainen romps about the country with his new bride."

Vennamo also saw a mere struggle for power within the ranks of the Communists.

"At the last party congress the Finnish Communist Party was barely able to reach some kind of a decision under the forceful influence of the "Viipuri delegation", which attended the meeting.

For his criticism Vennamo naturally received enthusiastic applause and approval. Once again the brothers and sisters in the party heard that only the SMP operates without any aspirations of power and a desire for its own victory.

An Agreeable Group

The first day of the SMP congress was devoted to listening to speeches by the party leadership and to the reelection of the party leadership. The approximately 1,700 party members who had assembled at the Seinajoki Vocational School did not have much to say.

The rank and file were agreeable and satisfied since the party experienced success in the local elections, the money situation has improved, and the party for "defectors", the SKYP [Finnish Peoples Unification Party] has faded away.

The SMP has never voted on Vennamo and even now Pekka Vennamo was elected as chairman with praises, applause, hand shakes, and flowers. Veikko Vennamo, 68, who has become honorary chairman, also received his own bouquet of roses. Veikko Vennamo did not speak in the meeting hall at all. His colorful language with respect to "power cliques, gangs, piracy, discrimination, silence, financial decadence, misappropriation, spirit, and servility" was heard at the meetings evening festivities.

On Saturday the SMP approved a new agricultural program, tax program, area policy program, and a Christian program and on top of all these a family policy statement.

In the agricultural program biodynamic cultivation is given the seal of approval and the peasants' neglectful attitude toward conservation was condemned. According to the program there is at this time a severe shortage of staples in Finland.

In the tax program there naturally are demands for tax cuts or complete elimination. In the Christian program the SMP emphasizes the need for warmth, love, and neighborliness and demands that the name of God should be kept in Finland's laws.

On Sunday the rank and file of the SMP will march through the streets of Seinajoki and approve approximately twenty resolutions at the conclusion of their congress.

10576

CSO: 3107/120

PROSPECTIVE DEFENSE MINISTER VAN MIERLO PROFILED

Amsterdam ELSEVIERS MAGAZINE in Dutch 8 Aug 81 pp 20-22

[Article by Coen van Harten: " 'Hafmo' van Mierlo, European Atlanticist or Atlantic European?"]

[Text] Doctor of Laws "Hafmo" van Mierlo will be 50 years old this week and perhaps defense minister. That would be a sensational comeback for the man who was for 10 years the "vision" of D'66 Democrats '66. Since 1977 he has only been politically active behind the scenes. Even at that time "defense" was high on his list of interests. Is the prospective government official a European Atlanticist or an Atlantic European?

Public relations expert Martin Veldman declared shortly after the promising beginning of the 1967 elections: "We saw to it that D'66 was all Van Mierlo. We took advantage of his very high communications ability, his warm personality and such an outstanding voice..." in short, all of the factors which Henricus Antonius Franciscus Maria Olivia van Mierlo offers. Friend and foe admitted that he was one of the most successful innovations in postwar politics. Hans Gruyters, the spiritual father of D'66 said: "The idea of the instability of things, that every opinion is limited, simplicity in solving problems...the part which relativism plays in all D'66 thinking, there is no man who represents that so well as Van Mierlo." And the late liberal senator, doctor of laws, Harm van Riel declared: "the way he operates, his appearance, but also his type of intelligence appeals strongly to youth. You cannot find a second Van Mierlo, he is an unusual man."

Consequently a marvel, that was immediately clear to all. He is a politician in spite of himself, intellectual and bohemian. He is a quiet tavern haunter, not very ambitious, absent-minded and nonchalant. He looks like a dashing young prime minister, student-like and intellectual. He is a man in his thirties without a driver's license, but with a chronic tendency to melancholy.

He was born on August 18, 1931, the son of a Catholic stoneware dealer, who was, at the same time, a co-partner in a bank in Breda. He went to boarding school in Nijmegen where he finished grammar school. He afterwards thought of becoming an actor, but in order not to alarm his parents too much, he did not go to drama school, but registered as a law student in Nijmegen. Just like Dries van Agt, "we have always liked each other," Van Mierlo said later. When he is 25 years old, he leaves his studies for what they are (not finished) and goes with 100 guilders to France, where he remains a year, as a casual worker and a reporter of a regional newspaper. He returns with the intention to "still" finish his studies. He succeeds in 1960. He applies at the then Catholic daily DE TIJD, but is not employed there, because, meanwhile, he is no longer a Catholic. The doors will certainly open at the HANDELSBLAD. And so he comes at the age of 30 to the big city of Amsterdam.

He became a part rather quickly of the Hoppe circuit, the circle which in the sixties makes intellectual and artistic Amsterdam insecure. Doctoral candidate Hans Gruyters, then still a member of the VVD /People's Party of Freedom and Democracy/ occupied an important place in it. Gruyters was the foreign news chief at the HANDELSBLAD. Van Mierlo was responsible for the editorial page. Their characters were contradictory, Gruyters wrote easily, Van Mierlo with difficulty. And so they lived: Gruyters was not harmed by the not insignificant events in his life, Van Mierlo with his tendency to depression was somewhat weighed down by young Hans' suffering. None of the great affinity between Gruyters and Van Mierlo had appeared. Nevertheless, Van Mierlo became chairman of Gruyter's D'66 in 1966. Gruyters introduced him as a candidate to the public relations expert, who immediately observed that he could work with the Dutch counterpart of Kennedy, the American president, with whom Van Mierlo was compared ad nauseam, until Duisenberg later acquired that stigma.

Nevertheless, the American influence was impressed on Van Mierlo's life. He already had carried out successfully in practice "making the candidate visible," when he still had to study the process in the United States. He went there in 1968. He spoke with Professor Brezinski, Kissinger, Schlesinger and Bobby Kennedy, prominent figures who gladly wanted to receive Van Mierlo, for they were amazed in America about the rise of the young politician, who won 11 seats all at once.

Still some Democrats were already concerned about Van Mierlo's career in 1968. Especially those who considered themselves the legators of the liberal democrats, who thought they had found a new home in D'66. Before Van Mierlo, D'66 was not a shelter for a fourth movement in Dutch politics. He saw the party especially as a movement, as an alternate residence, in the expectation of the renewal of all Dutch politics. In 1968, he said cheerfully: "I am convinced that D'66

will disappear." The D'66 parliamentary group chairman honestly believed in a political combination. In his opinion, D'66 would be absorbed in a progressive bloc, which would be protected from prewar dogmas. His ideal was a great progressive peoples party, a phenomenon in which even dissident KVP [Catholic People's Party] members believed in at the time. Van Mierlo's language had traces of his belief in the "explosion theory," that expected a break-through, which, following the failure shortly after the war, would have to be concluded in the seventies (or earlier). D'66 had won the voters' confidence with words such as progressive and alternative, but Van Mierlo developed an increasing preference for "progressive," a word which especially at the end of the sixties had great political impact.

Van Mierlo himself may have been a best seller, but such a new policy appeared to be a marketing flop in the elections of 1971. In 1970, he was still the most trusted politician, so it appears from a NIPO [Netherlands Institute for Public Opinion] poll, however, the voters rejected him the following year. D'66 went from 11 to 6 seats. The break-through again failed. On the election evening, Liesbeth den Uyl gave him a kiss, a salve for his hurt feelings.

There was internal opposition to Van Mierlo for a long time, after the catastrophe of 1971 those voices were openly expressed. A considerable part of the parliamentary group (Goudsmit, De Goede, Nooteboom) reproached him for drifting, listening poorly and acting alone. Gruyters offered an excuse at the time: "Van Mierlo is more of a visionary than the others and consequently he has a tendency to operate somewhat alone." That public defense makes it clear that Van Mierlo did not have it easy in his party. In 1971 the congress rejected the Van Mierlo line implicitly by accepting Goudsmit's motion, which emphasized more distance from the PvdA [Labor Party]. Van Mierlo already considered then giving up the whole thing. But he only did that in 1973. When the Den Uyl government took over in that year, even Den Uyl did not know that Van Mierlo already had decided to resign as parliamentary group leader. He announced that shortly afterwards. The unknown quantity, Terlouw, only a year in the chamber, was his anonymous successor. The group did not "operate" anymore under Van Mierlo's leadership. Van Mierlo himself said in the announcement of his resignation: "Personal frictions take the pleasure out of work. I think that even in politics, you must be able to enjoy going to work." Another statement: "I was in the way." He gave up the leadership after he had made D'66 the governing party through electoral agreements with PvdA and PPR [Political Party of Radicals]. His struggle for a progressive bloc had failed. He said he aspired for a FDP [Free Democratic Party] position for D'66, but his efforts resulted in what his opponents unanimously called the "second fiddle role."

During the formation of the Den Uyl cabinet, Van Mierlo was alienated from the parliamentary group and the party. The opinion was that he had surrendered to the PvdA, although he then had been able to keep out of the governing agreement. Crisis, many fine things for leftists. Van Mierlo described his lonesome position strikingly with the words: "Most parliamentary group leaders are in the middle. I always was out in front and that increased the tension."

During the formation, he had a chance twice for a ministerial post. But he refused for the sake of completing the cabinet. That was only possible if the antirevolutionary De Gaay Fortman, ended up in internal affairs and Van der Stoep in foreign affairs. And finally, he felt "fully responsible" for the wretched election outcome. He remained at the Inner Court without any grudges until 1977. He was not under Jan Terlouw's feet. Van Mierlo saw D'66 as a "Gideon's band." Terlouw became more and more involved as the leader of a leftist-liberal party, a permanent home for the enlightened bourgeoisie. As a "regular" member of parliament, he did not express himself anymore about national policy in a narrow sense. Considerations about the "explosion theory" and administrative reorganizations gave way to somewhat intellectualistic discussions about foreign policy and defense. He had let his light shine on that previously. For example in 1968, he exclaimed: "NATO is dying." An alarming cry, but he pragmatically followed with: "A fundamental anti-NATO position leads to a crisis atmosphere, which obstructs the way to peace and detente. Such an attitude would also make bilateral conversations inside Europe impossible."

And with those lines, Van Mierlo, the European is delineated. A European who feels threatened in his identity by the Atlantic relationships. Van Mierlo in 1968: The Netherlands must not be guided in its foreign policy, in the first place, by NATO. He advocated Netherlands initiatives for discussion with other European countries, in which the Soviet Union and the United States could be involved later. The congress then expressed itself in favor of permanent NATO membership. As regards Van Mierlo, it was not out of enthusiasm for the alliance, but out of pragmatism, because every alternative leads to a security risk.

His reservations about the Atlantic concept and his strong European orientation have existed through the years. But his aversion for a Gaullist European policy is just as strong. As appears from his words shortly after the outbreak of the oil crisis: "In a world where countries are threatening each other, further expansion of nuclear armament, for example, in the form of a European nuclear power is perilous." He does not want any isolationism, either on the European or the American side: "Europe has been protected until now under the atomic umbrella of the United States, but there are

signs that the Americans are closing their umbrella a bit. The European atomic countries, France and England will exercise pressure to form a European nuclear power.

In 1969 Van Mierlo said about the precarious existence of a politician: "If I fall, what really falls then?" In 1977 he said to a HAAGSE POST editor, who had accompanied him to a meeting of the subcommittee of the NATO Assembly in Brussels: "You know I am very curious to see how my future will come out." It is an open question. Nevertheless, the prospect of a ministry was not inconceivable. Although the idea was not very timely since he left the chamber in 1977. He has not had a regular position since then. Minister (now informateur) De Koning appointed him only in October of last year as a consultant to CONS /Netherlands-Suriname Development Cooperation Committee/. At that time D'66 regarded him as a possibility for a ministry.

However much in the background, Van Mierlo still played a decisive role now and then in D'66 policy. As regards defense policy: Last year, the D'66 Congress decided to "reject" the stationing of cruise missiles. Van Mierlo, who still is very much respected in his party, managed to persuade the party to vote "to reject under the present circumstances," a basic change.

Van Mierlo does not favor "fundamental" decisions in a political world, which, on the whole, is not limited by principles or ethics. Van Mierlo has "read and thought" a great deal about ethics in recent years. He was a panel member of Marcel van Dam's "ethics program," "The Reverse of Right." The key note of those programs was the question: How ethical are ethics? Van Mierlo related to NRC HANDELSELD a pertinent anecdote. He recalled his role as a negotiator in 1973 in the realization of an agreement with the PPR and PvdA. Van Mierlo's nuclear armament position then was dissenting: "because I thought the idea that you should never be the first to use nuclear weapons was false. The effect of that would be, I argued, that the chance of a war breaking out would be greater, rather than less. The PPR side then said: That is perhaps so, but we stick to our opinion, because it is not ethical to threaten with nuclear weapons. I was really bewildered when I heard that. I thought: Hundreds of millions of people have died in the name of ethics in the course of history."

Consequently a pragmatist at crisis sensitive defense, at least that is being "considered."

8490
CSO: 3105/165

POLL REPORTS MIXED ATTITUDES TOWARD AUTONOMIES

Madrid EL PAIS in Spanish 2 Aug 81 p 12

[Text] According to a survey conducted for the Center for Economic Communication and Studies, and to which EL PAIS had access, the Spanish people have a moderate but somewhat indifferent attitude toward the future which autonomies hold for them. Based on the survey, those interviewed do not believe that their economic situations will improve; on the other hand, they do believe that regional investment and the administration of resources will improve. They also believe that they will be subject to greater tax pressure and there are expectations of an improvement in the level of employment and in cultural and educational developments.

The survey was conducted on the basis of a comprehensive sampling of the Spanish population between 18 and 64 years old, in population centers of more than 5,000 inhabitants. The survey included 2,000 interviews.

The survey tried to determine the interviewees' opinions concerning the future effects of autonomies on their standards of living and on economic and social aspects. In order to obtain averages, values were assigned to the various responses, from +3 for "much better" to -3 for "much worse." The values obtained, which vary between +0.31 and -0.72, show that the Spanish people do not expect great things from autonomies, since the highest obtainable value would be +3 (if they believed that autonomies would greatly improve a certain aspect of economic or social life) and the lowest would be -3 (if they believed that autonomies would make that certain aspect much worse).

The only statistical table (see graph) with an error of $\pm$ (plus or minus) 2, representing a confidence level of 95 percent, is the one based on data at the national level. The results can be summarized as follows:

Economy--Those interviewed do not believe that their economic situations will improve. On the other hand, they do believe that regional investment and the administration of resources will improve.

Taxation--They believe that they will be subject to greater tax pressure.

Relations with Other Autonomies--Although they do not expect that relations with other autonomies will change substantially, they do expect a slight improvement in trade relations, but not in labor relations, in that they believe that autonomies will have a negative effect on job mobility. It is this aspect of autonomies which received the lowest value in the survey.

Employment--Although those interviewed believe that employment opportunities in other autonomies will become worse and that there will be a slightly negative effect on wage levels, they believe that the autonomy system will result in greater employment.

Culture and Education--The area which received some of the highest values is the one concerned with culture and education. In this regard, those interviewed believe that autonomies will improve their cultural development and their children's education.

Favorable Expectations

Based on the ideology of those interviewed, the most favorable expectations were found among the group describing itself as extreme-leftist, with the center-right, apolitical and center-left groups trailing far behind. The overall expectations of the group describing itself as extreme-rightist are negative.

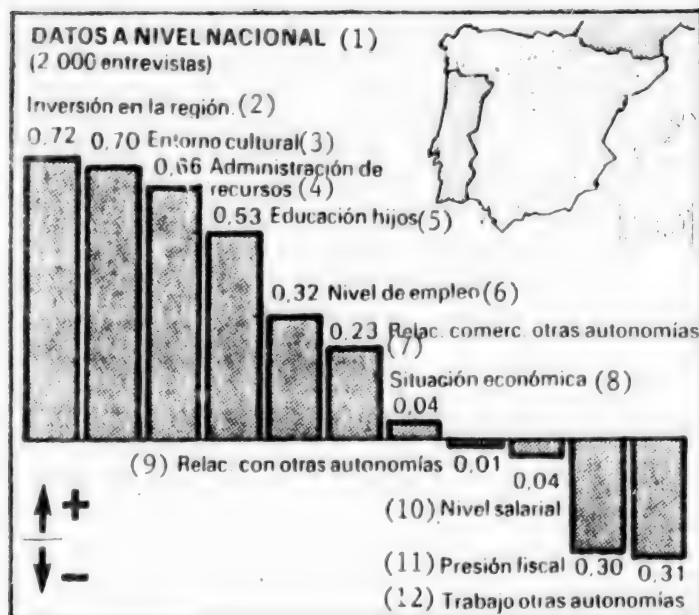
Broken down according to the main autonomous regions, the results show that the interviewees of the Basque region, the Canary Islands and Catalonia have the most positive attitudes concerning the future effects of autonomies, whereas interviewees from Castille, La Mancha and Aragon--in that order--have the least positive attitudes.

The graphs published also show the survey's main results for each region. It should be pointed out that the regional data must be considered merely indicative, since the sampling was too small to provide accurate data concerning the expectations in each region.

Due to lack of space, the graphs for Madrid-Central Spain and Castille-La Mancha have not been published. The basic data for these areas are as follows:

In the case of Madrid, it is believed that regional investment, the administration of resources, children's education and cultural development will improve somewhat; almost nothing is expected concerning the level of employment or trade relations with other autonomies and it is believed that tax pressure, among other things, will become worse.

For Castille-La Mancha, concerning the level of employment and education there are higher expectations than in the case of Madrid, although they are not very high in this case either, and there is also agreement that tax pressure will increase and that prospects of finding jobs in other autonomous communities will become worse.

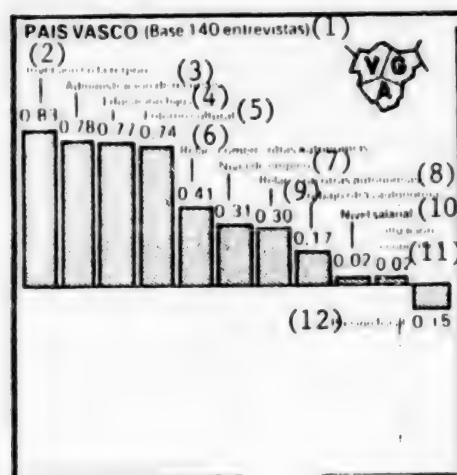


This graph shows the survey results at the national level. The replies to the various questions are shown as "mean values," between a maximum of +3 and a minimum of -3, which are the coordinates used in the graph. Shown above the 0 dividing line are the aspects which will improve, based on the opinions of those interviewed; below that line are the aspects which it is believed will become worse.

Key:

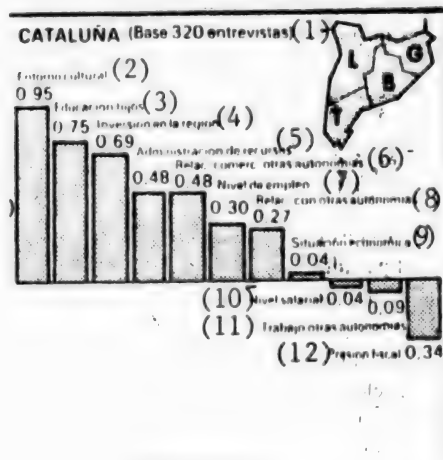
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| 1. Data at national level (2,000 interviews) | 7. Trade relations with other autonomies |
| 2. Regional investment | 8. Economic situation |
| 3. Cultural development | 9. Relations with other autonomies |
| 4. Administration of resources | 10. Wage level |
| 5. Children's education | 11. Tax pressure |
| 6. Level of employment | 12. Prospect of finding work in other autonomies |

Published below are the /indicative/ [in italics] survey results according to region (due to lack of space, those for Madrid and Castille-La Mancha are now shown). The dividing lines in each graph are the basis for assessing the results: each region's interviewees believe that the aspects above the line will improve and that those below the line will become worse. All figures are based on the maximum and minimum coordinates of +3 and -3, respectively.



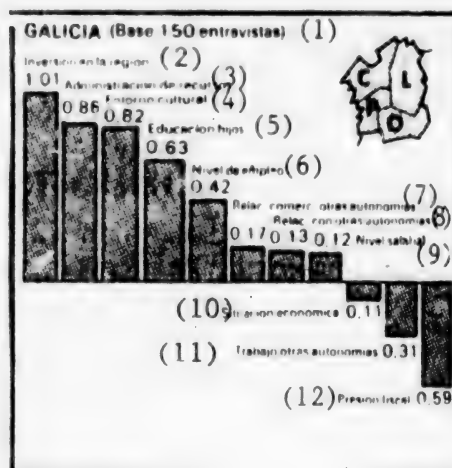
Key:

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|--|-------------------------------------|
| 1. Basque Region (based on 140 interviews) | 7. Level of employment |
| 2. Regional investment | 8. Relations with other autonomies |
| 3. Administration of resources | 9. Finding work in other autonomies |
| 4. Children's education | 10. Wage level |
| 5. Cultural development | 11. Economic situation |
| 6. Trade relations with other autonomies | 12. Tax pressure |



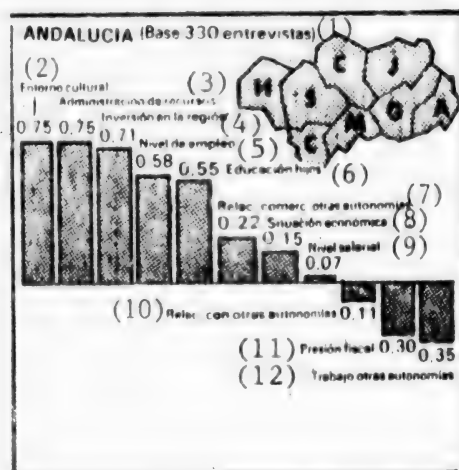
Key:

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| 1. Catalonia (based on 320 interviews) | 7. Level of employment |
| 2. Cultural development | 8. Relations with other autonomies |
| 3. Children's education | 9. Economic situation |
| 4. Regional investment | 10. Wage level |
| 5. Administration of resources | 11. Finding work in other autonomies |
| 6. Trade relations with other autonomies | 12. Tax pressure |



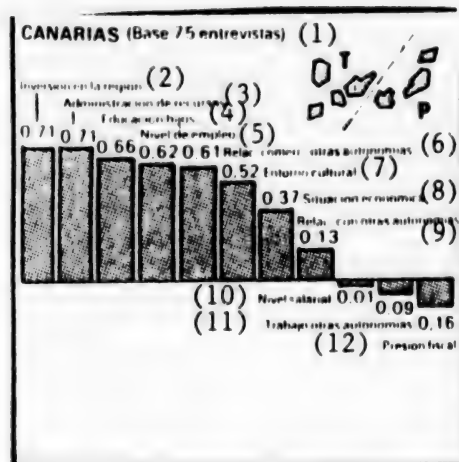
Key:

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|--------------------------------------|--|
| 1. Galicia (based on 150 interviews) | 7. Trade relations with other autonomies |
| 2. Regional investment | 8. Relations with other autonomies |
| 3. Administration of resources | 9. Wage level |
| 4. Cultural development | 10. Economic situation |
| 5. Children's education | 11. Finding work in other autonomies |
| 6. Level of employment | 12. Tax pressure |



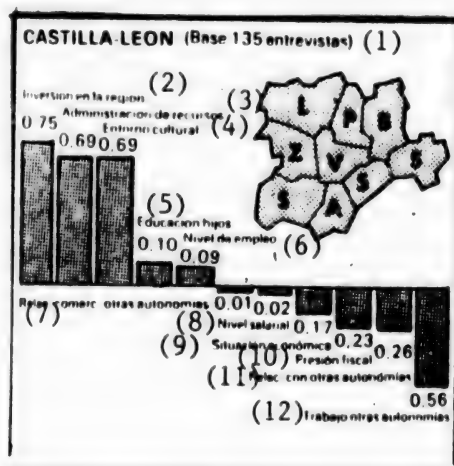
Key:

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| 1. Andalusia (based on 330 interviews) | 7. Trade relations with other autonomies |
| 2. Cultural development | 8. Economic situation |
| 3. Administration of resources | 9. Wage level |
| 4. Regional investment | 10. Relations with other autonomies |
| 5. Level of employment | 11. Tax pressure |
| 6. Children's education | 12. Finding work in other autonomies |



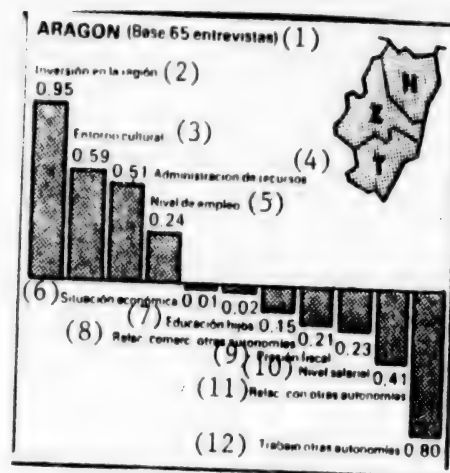
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| 1. Canary Islands (based on 75 interviews) | 7. Cultural development |
| 2. Regional investment | 8. Economic situation |
| 3. Administration of resources | 9. Relations with other autonomías |
| 4. Children's education | 10. Wage level |
| 5. Level of employment | 11. Finding work in other autonomías |
| 6. Trade relations with other autonomías | 12. Tax pressure |



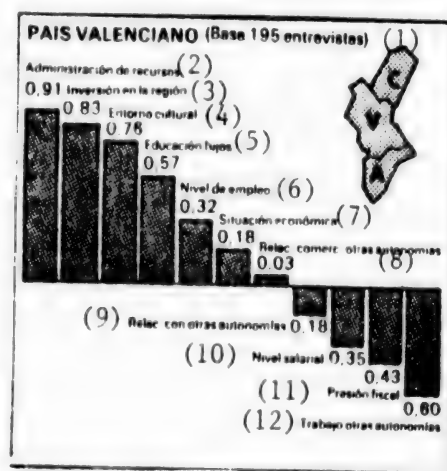
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| 1. Castille-Leon (based on 135 interviews) | 7. Trade relations with other autonomías |
| 2. Regional investment | 8. Wage level |
| 3. Administration of resources | 9. Economic situation |
| 4. Cultural development | 10. Tax pressure |
| 5. Children's education | 11. Relations with other autonomías |
| 6. Level of employment | 12. Finding work in other autonomías |



Key:

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| 1. Aragon (based on 65 interviews) | 7. Children's education |
| 2. Regional investment | 8. Trade relations with other autonomies |
| 3. Cultural development | 9. Tax pressure |
| 4. Administration of resources | 10. Wage level |
| 5. Level of employment | 11. Relations with other autonomies |
| 6. Economic situation | 12. Finding work in other autonomies |



Key:

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| 1. Valencia Region (based on 195 interviews) | 7. Economic situation |
| 2. Administration of resources | 8. Trade relations with other autonomies |
| 3. Regional investment | 9. Relations with other autonomies |
| 4. Cultural development | 10. Wage level |
| 5. Children's education | 11. Tax pressure |
| 6. Level of employment | 12. Finding work in other autonomies |

11915

CSO: 3110/132

SOCIALISTS' CUDELL ON MILITARY BUDGET CUTS

Brussels LE SOIR in French 25 Aug 81 pp 1,2

[Interview with Guy Cudell, senator, vice president of the Socialist Party, president of the Mixed Military Commission, and mayor of St Josse-ten-Noode, by Ch.-L. Binnemans: "Isn't it Regrettable To Maintain Belgian Soldiers in the FRG Without Compensation?"; date and place of interview not given]

[Text] "Isn't it, finally, regrettable that we should have to maintain a significant part of our troops in the FRG, without any compensation at all? Of course, our effort in this area brings us congratulations from NATO. But at what price to our national economy?"

Those remarks, which might arouse comments in the opposite direction, were not made by just anyone. It was Mr Guy Cudell, who is not only senator and vice president of the Socialist Party [PS], but also president of the Mixed Military Commission (members of parliament, generals and experts), who made them to us.

We interviewed Mr Cudell, partly because the above mentioned Commission will resume its work when the new session of parliament starts, in a difficult economic climate: there is talk of a 3.8 billion franc reduction in the national defense budget.

And we will see that the mayor of St Josse-ten-Noode does not mince his words. As, for example:

"Let no one come up and say that a lengthening of the military service would be translated into savings. Only privates of old still believe that the young people and their families will accept a 14 month service at 100 francs a day, when unemployment benefits are much higher than that!"

But following is the complete content of the interview with Mr Cudell, of his comments on a well known theme: what financial means should be allowed to ensure our defense?

Guy Cudell: Indeed, a well known theme. Because the means earmarked for our armed forces have always been judged insufficient, by some, with regard to the needs expressed. And yet, NATO statistics show that the effort agreed on in recent years by the "small power" that we are, puts us at an average level.

The measures taken by our government will inevitably produce a reduction of our defense effort at the financial level. Which does not, incidentally, necessarily imply a reduction in the effectiveness of our forces. But aren't all the European nations, when everything is said and done, in the same situation we are in?

Our goal today is not to pass judgement on the repercussions of this policy on the relationship between the United States and Western Europe, but to analyze its consequences at the national level.

It is undeniable that in times of crises, painful choices must be made and sacrifices agreed to.

In this regard, it is advisable that choices be made in all objectivity and based on criteria from which must be excluded the chauvinism and parochialism too often manifested in certain circles close to the armed forces.

It would also be advisable not to follow the example of so many colonels and generals, whether retired or not, who multiply their pleas in favor of the armed force they belong to. According to them, it is always that particular weapon which should be given top priority, because it is supposedly on it that the majority of the Belgian political responsibilities hinge ...

Three Criteria

[Question] And what criteria do you opt for?

[Answer] I deduce a first conclusion from it: the choices must be made at the political level and not at the level of the military apparatus, even through the intermediary of retired personnel.

How should these choices be made? In our opinion, on the basis of three criteria: military, political and economic.

Obviously, the military aspect takes on a great deal of importance. Because the more limited the allocated budgetary means are, the more judicious the operational choices will have to be and the more that which is secondary will have to be eliminated in favor of the essential.

New technologies and lessons from the past can be helpful in this choice as long as one does not fall in the trap of either the expert, who always wants the latest gadgets, or the individual who clings to traditions in order to justify in fact his opposition to change.

The particulars of the problem are relatively simple: we are at the age of the atom, of the satellite, of the rule of electronics, and we must react in terms of minutes, and no longer in terms of days. What will happen on day D + 4 is interesting, but secondary. Because at day D + 4, everything may be essentially over.

Indeed, the civilian and military survivors may be reduced, in the best of hypotheses, to play the role -- a not inconsiderable one, certainly, and one of first priority -- of guerrilla fighters, but after the initial stage.

Human Factor

[Question] And what do you deduce from that?

[Answer] That one should not cling to notions from time gone by; and let us find out how the Belgian forces could participate in the vigorous and rapid response of the system of our allies.

If it is essential to invest in equipment best adapted to the necessities of modern warfare, it is equally urgent to take into account an even more important factor: the human factor, which brings us back to the political aspect of the problem.

Three elements should be noted in this regard:

- 1) We are no longer in the days of large battalions and of hand to hand combat;
- 2) The burden of military service is not equitably distributed among the citizens of this country: only one youth out of every four is called up for military service;
- 3) The times of cheap labor are in the past.

This means that the total numbers are still too great, that it will be necessary to rationalize, to regroup the armed services and to eliminate what is no longer essential in this period of lean times.

And let no one come up and say that a lengthening of the military service would be translated into savings. Only privates of old still believe that the young people and their families will accept a 14 month service at 100 francs a day, when unemployment benefits are much higher than that.

Review Large Military Contracts

[Question] In that case, what is your economic option?

[Answer] This is the last aspect of the problem, indeed. And not one of the least: the economic impact of military expenditures. We are going through the worst crisis since the thirties. The citizens would not understand that the Belgian economy does not benefit to the maximum from the economic fallout resulting from our military expenditures.

And isn't it, finally, regrettable that we should have to maintain a significant part of our troops in the FRG, without any compensation at all? Of course, our effort in this area brings us congratulations from NATO. But at what price to our national economy?

As for our large military contracts, they should be seen not in terms of giving the choice priority solely to operational factors, but also in function of the technological progress and of the orders they bring to our industries.

[Question] What is your choice when all is said and done?

[Answer] The hour of choices has come. We will have to keep in mind: the degree of effectiveness and speed in the deployment of the operational means; the cuts to be made in the numbers, following regrouping or the elimination of what is not essential; the contributions in latest technology and in further activity which will result for our industries. It will require imagination. Imagination to organize the armed forces effectively, while keeping constantly in mind that today we no longer have unlimited means at our disposal. And that this could go on.

They keep repeating that the country cannot live beyond its means. That is patently obvious. Neither can the army.

8463

CSO: 3100/924

MILITARY BUDGET CUTS AFFECT FRG ROLE IN FALL MANEUVERS

Frankfurt FRANKFURTER ALLGEMEINE in German 22 Aug 81 pp 1-2

[Article by Ty.: "Will the Bundeswehr Have To Call Off Parts of Its Fall Maneuvers? -- DM 200 Million To Be Cut from Budget by Year's End/Relations with United States"]

[Text] Bonn, 21 August -- The Bundeswehr [Federal Armed Forces] might have to call off important parts of its fall maneuvers. This was learned on Friday in Bonn. The reason is the lack of money in the armed forces. The shortage had already jeopardized unit exercises and the fall maneuvers a few months ago because the necessary fuel was not available and could not be procured until later. But now the fall maneuvers are in jeopardy again because DM 200 million has to be cut from the defense budget by the end of the year. This sum is made up of DM 160 million -- to be obtained by reducing expenditures across the board -- and more than DM 40 million that has to be saved to compensate for the effects of changes in the mark/dollar exchange rate.

A corresponding order went out this week from the responsible state secretary, Hieble, to all departments in the Defense Ministry. Enclosed were several pages of a comprehensive list of suggestions for economies; it is being left to the discretion of the department heads to decide where to make cuts in the mutually fundable budget items.

The politically most important savings proposal is the directive to cut DM 10 million from the DM 47 million planned for the fall maneuvers. The military leadership thus finds itself faced with the necessity either of canceling the large-scale exercises of the II Corps ("Sharp Blade") or forgoing participation in other exercises within the framework of "Autumn Forge," NATO's fall maneuvers, and of shutting down for the most part the army's normal exercise and training operations in the last quarter of the year. This would have profound effects on the level of training and the morale of the troop units; for this reason it would probably meet with decided resistance on the part of the military.

The critical discussions by army leaders will take place this week. The commanding generals of the three corps will meet with the army inspector on 27 August. Definitive decisions will be made at that time. To be sure, it was learned on Friday that the corps' "Sharp Blade" exercise would definitely be held, at least on a limited scale.

The following facts indicate the problems facing the army in particular as a result of the short-notice economy directive. In accordance with the CSCE Final Act, on Friday the Foreign Ministry sent out notification -- official FRG Government notification -- of this large-scale maneuver to all other CSCE participants.

The Bundeswehr would thus have to call off maneuvers that had already been officially announced. In view of our already delicate relations with the United States, this would make the situation all the worse, since resentment has already developed there over the fact that Bonn's defense spending for 1982 is not going to rise by the promised 3 percent in real terms but is going to decline instead.

But the Bonn government faces the possibility of yet another difficult situation vis-a-vis Washington if it chooses not to participate in other exercises within NATO's "Autumn Forge" series of maneuvers instead of canceling the corps maneuver. To be specific, economies of the magnitude called for would require the Bundeswehr to pass up participation in "Certain Encounter," the Americans' large-scale exercises in the FRG. These plans call for close interaction between the army's 5th Armored Division and the 14, 000 "Reforger" troops who are being flown from the United States to the FRG expressly for the fall exercises. A cancellation on the part of the Bundeswehr, however, would throw a monkey wrench into the U.S. plans and raise the question of why Washington was sending its troops to Germany at all.

7458

CSO: 3103/418

DRAFTEES' TRADE UNION SAID TO BE ISOLATED

Rotterdam NRC HANDELSBLAD in Dutch 25 Aug 81 p 7

[Article by Jan Witting*]

[Text] The Union of Conscripts (VVDM) is celebrating its 15th year of existence this week. The interest group of conscripted military personnel established in 1966 will, in addition to the customary revelry, have a forum discussion to consider its past and future. Anyone who has followed the developments in the field of protecting the interests of military personnel from the side line over the years will have to come to the conclusions that the formerly renowned organization has fallen on hard times. The formerly influential union which in its great days, the period 1970-1974, had about 25,000 to 30,000 members, has suffered a considerable loss of membership and now has about 14,000 members. Its monopoly position in the field of representing the interests of conscript personnel has been lost. Side by side with the VVDM, with no glorious past as an attractive selling point, the General Union of Netherlands Soldiers (AVNM) is operating. This slowly growing organization has at the moment about 7,000 members.

It can be asserted without exaggeration that the VVDM has had a great influence, directly and indirectly, on the functioning of our armed forces. A functioning, by the way, that in my opinion stands out by technical and human standards above that of the professional and conscript armies of our allies. In spite of all the frustrating and for many in the armed forces undermining and painful conflicts of the past 15 years, this observation must not be lost sight of by all concerned people of good will.

Interests

There is no [other] army in the world in which the almost rightless position of the conscript has been raised in such a short time to far above the level of the soldier of the past, almost unpaid and temporarily bound to slavery by the conscription law. The politically responsible officials, countless VVDM officers at all levels (especially in the earliest period of the union), and the leadership of our military apparatus can regard this as one of the greatest successes of the

*Jan Witting did his military service from May 1974 to September 1975 and for some months was chairman of the VVDM. He is now a member of the Defense Committee of the PvdA [Labor Party].

1960's and 1970's, a period disappointing in many ways in other areas of our national life. The principle that the soldier, whether a conscript or a professional, must be regarded as an independently thinking individual with interests to be separately argued and justified, which must be satisfied within the demands made on the service, can no longer be eliminated from the Netherlands armed forces.

But it would be going too far to regard the situation that has arisen as ideal and the armed forces organization as having no room for further improvement in the broad field of personnel and working conditions policy. Reading the organs of the most important military interest organizations makes it clear that the difficult modernization process has been brought about. A stiffening has set in in the apparatus that reacted of old with open discussion and often too cautious experiments to justified desires expressed by the overwhelming majority of the subordinate and working personnel. The policy recommendations made in the report, which is unique in many respects, of the Steering Committee on Social Influences in the Armed Forces (STUMIK) of 1977, which would not have come about without a VVDM, have disappeared into the almost proverbial dusty files of the military bureaucracy.

In spite of the fact that the pay of conscripts has been raised, that there is some freedom in hair style and room furnishing, that there is increased freedom of movement in the evening hours, military trains have been eliminated, the disciplinary class and duty to salute no longer exist, the service time has been reduced, and a feeble regulation exists on compensation for irregular duties, the work of a conscripts' interest organization cannot be regarded as a closed chapter. It is nonsense to call doing one's military service a stay in a vacation camp because of the above real improvements in the legal position of conscripts.

A society that, for the defense of its central values, makes a justified and conscious choice in favor of maintaining a conscript army must compensate the sacrifices that are made by a relatively small fraction of the male population. Relatively monotonous work that must often be performed under difficult circumstances should be reasonably well paid. This work should also be done under circumstances that can contribute to a maximum utilization of the personnel. An adequate leave regulation for those who serve abroad and a satisfactory compensation for the performance of irregular duties are demands that in this light must be regarded as entirely reasonable.

Apart from these material demands, it can be said that the ideals of the leading VVDM members of the first generations have not always been realized. Their view of the conscript, and you must say of the career personnel as well, as a civilian in uniform has still found no good translation in the military disciplinary and penal codes. What is involved here is the fact that even in peacetime members of the armed forces are subject to military justice for matters that do not have to do with service. Although considerable improvements have been introduced into the penal code, limitation of commanding officers' disciplinary authority and the introduction of the institution of the confidential agent in the penal code, the penal code must still be judged unsatisfactory.

The silly arrangement still exists that a line officer, with a busy and demanding management job, has to judge of the real or imaginary offenses of his or her subordinates. It is obvious that the overloading of the average commanding officer and the necessary hierarchical relationship in the service offer little guarantee

of an administration of disciplinary law in which chance and whim are minimized. This involves the risk of injustice in which, apart from the case itself, the efficiency and the effectiveness of operations can intervene. This cannot be said to be in anybody's interest.

Former Chairman Paul Turken says with some justification in the lustral number of the VVDM organ TWINTIG [Twenty] that the VVDM has achieved little in matters of principle having to do with the democratization and humanization of the armed forces. He states this on the basis of the action-club strategy's having gotten the upper hand within the VVDM in the years after 1973. I would go even further than Turken. Even the chance of an improvement in the soldier's material position is diminished by the strategy of the VVDM of today. It is therefore much to be regretted that within the VVDM in the last few years no discussion has ever been carried on openly and vigorously in the full light of publicity concerning the strategic choice problem with which the VVDM struggled in its heyday in 1972.

There has been an internal discussion behind closed doors of allowing the interest organization to expand into a fullfledged union by seeking a rapprochement with the interest organizations of career personnel. It must be admitted that the circumstances for giving form to these advanced ideas at that time were wretched at best. The Netherlands trade union movement was divided and had other things to do than concern itself intensively with the VVDM, which in union eyes was unimportant. The career personnel was organized at that time on a scale of organizations by grade that did not have a program of real promotion of the interests of their members. It appears to me that there has been a change in this with the formation of the FNV [Netherlands Trade Union Organization] and the FACOM [Federation of General Christian Organizations of Military Personnel].

The practice of the day in the period mentioned above put an end to that discussion. The delaying policy of the top military leadership, which was unwilling to reach solutions for real problems through serious discussion, had made the climate within the VVDM ripe for an anarchist-syndicalist view to get the upper hand as a guide for the organization's action and for the motivation of the members. In short, this view could be described as rejection of all compulsion in a working organization, a belief in agitation by the spoken word and the pamphlet, and a preference for direct action. In the organization itself great value was accorded to the autonomy of local chapters, which in a hazy picture of the future were proclaimed nuclei of a future social order. Exempted persons are not wanted for the execution of organizational tasks, and at central offices there is no wish to delegate responsibilities. A marked suspicion is cherished of intermediaries, which is accompanied by a glorification of the local militants.

Wastage

It cannot be denied that under certain circumstances in the short run and for limited objectives an organization with such a dominant ideology can chalk up successes for its adherents. But over the longer term such a view undermines the striking power and the power of effective action of the organizations in which such an ideology gets the upper hand. This process was widespread within the VVDM in 1974 and 1975. The reasoning type of person that wanted to become an active member on the basis of the traditional VVDM vision generally felt he had seen it all after a short time, or had to waste his time in endless discussions with a motley collection of well-intentioned or not so well-intentioned sectarians.

My first experience with the Ermelo VVDM chapter in 1974 in the General Spoor Barracks, one of the biggest army encampments in the Netherlands, was a lengthy discussion lasting almost into the hours of night on whether the local chapter must do something against a "threatening intervention of NATO armies in Cyprus." It speaks for itself that the "real base" of the VVDM, a cook, an AMX driver, a rifleman, an arsenal attendant, a pump-server, or a maintenance mechanic regarded this as pretty far afield.

The most important decision that the author of this article made as chairman of the VVDM was settling a dispute in the executive committee of the VVDM over the important question of whether to receive a delegation from the Communist Party of the Netherlands that wanted to make a complaint about the fact that the membership organ TWINTIG had devoted attention to a minuscule demonstration by the SP [Socialist Party] against the purchase of the F-16 plane for the air force. The reason that was given for this was that an organization allied with the CPN had organized a somewhat bigger demonstration in Amsterdam. The preoccupation with marginal phenomena in the place of aiming at the core tasks of the VVDM, taking care of the material and nonmaterial interests of the conscripts, was leading at that time to a rapid decline in the number of members and a loss of recruiting power for potential and scarce talent that could carry out the tiring but so necessary real trade-union work.

It may be called a miracle that through the unprecedented liberality of the political and military leadership of our defense apparatus and a willingness to sacrifice of a part of the VVDM staff in the years after 1973 that compels respect, the once flourishing organization still exists. The present organization has isolated itself completely by watering down the old VVDM ideals.

This cannot be illustrated more strikingly than by the fact it commemorates its founding with a forum concerning its future participated in by a union worker, a conscientious objector, a VVDM board member, and a soldier who is an objector to nuclear weapons. I estimate that the VVDM of Cees Beemsterboer (chairman in 1972) would commemorate its founding by organizing a forum discussion with representatives of FACOM, of AVNM, and the Ministry of Defense, and a few members of the Second Chamber on the subject: "How to get the STUMIK report back on the agenda of the organizational decision-making authorities in the defense apparatus."

8815

CSO: 3105/172

NATIONAL RESEARCH COUNCIL SAID TO BE 'USELESS'

Rome IL BORGHESE in Italian 23 Aug 81 pp 979-980

[Article by Zeno Morani: "An Agency Useless for Research: What Good Is the CNR?"]

[Text] Former Scientific Research Minister Romita and some directors of the National Research Council [CNR] have been carrying on a hard, unprejudiced and in many ways quixotic struggle to eliminate the Aerospace Research Center of the University of Rome under the directorship of Prof Broglio. This struggle has attracted our attention to the CNR, its functions, usefulness to Italian research and the results it has achieved with the hundreds of millions of lire allocated to it by the state. We have informed ourselves conscientiously by consulting all available documents and questioning scientists both inside and outside the CNR, and it is with some disappointment that we have learned that the Council, headed by Prof Quagliariello, is not doing its appointed job of scientific research. Actually, the CNR is on the order of those useless agencies that devour millions of the taxpayers' lire like leeches without giving anything in return.

If we look closely at the concrete results produced by CNR-financed researchers, we might wonder whether there are any scientific researchers in Italy any more, whether they have all emigrated to more hospitable shores or whether the CNR has gone around seeking out the least productive ones. There are capable researchers in the CNR, although they are very few, as there are in the universities and companies to which the Council contracts individual research projects. Why, then, are they only putting out hot air: ponderous, reworked, useless studies; why (at least so far) have they shown no glimmer of intelligence? Because the bottleneck is at the top; that is, the National Research Council does everything but seriously promote research in Italy. The reason for this can be found at least partly in the politico-social ruination caused by the center-left.

The CNR was founded under Fascism. Its first president was Guglielmo Marconi until his death in 1937. He was a man who understood the political and social importance of research. He was and still is the only one. The structure Marconi gave the Council remained unchanged up to the time of the Moro government. Moro, however, thought the time had come to "democratize" research Italian style by introducing elections, i.e. party politics into the CNR. From then on, the consulting committees have been partly elective. But hardly 10 percent of the electorate belongs to the Council; 90 percent comes from the universities, other state administrative bodies and from public and private industry.

In practice, then, when the state underwrites the CNR's operating budget it only puts a part of the gross product at the disposal of a certain national community. Thus far there is little to object to. But it should be remembered that each of the National Committees' elected members must wage his own little election campaign every year, thus becoming prey to the parties, unions, industries and various university groups. It is easy to understand, then, that if someone wants to play politics to get elected, he can do so only at the expense of research, because the two activities are mutually contradictory. This is due not so much to the mentality required as to civil or social cost, so to speak, that is involved in governing a research department: the real thinkers are replaced by a little parliament of self-styled research politicians.

A new tendency has emerged since Moro's "democratization." The CNR is being transformed from a research body into an economic one, or a managerial system. The CNR has practically become a kind of research fund, so much so that its 8,000 workers include 1,000 administrators. It is absurd that one researcher (or presumably a researcher) in eight is an administrator. Of every eight researchers, only two have a degree; the others have only graduated from upper or lower middle schools. Of the two who have degrees, one of them is a fresh graduate or "scholarship student" looking for his first job. In practice, then, the CNR looks like a public assistance office, or nearly so.

The completed projects brought to fruition so far by the Council's lofty political minds amount to so much twaddle. They are financed in part by CIPE [Interministerial Committee for Economic Planning]. The projects have brought the CNR enormous sums to be divided among its various clients according to a philosophy that might be called "democratic research." At the CNR, management's authority comes from below, but where does scientific authority come from? The people who are elected are often only politicians and rarely authoritative research scientists.

The situation has been going downhill for 15 years. The CNR controls the National Space Plan. Well, we might have expected that Prof Broglio would have been called upon to head it. He is a world famous, authoritative scientist who is more than well enough qualified for space research. But no, the CNR named Prof Guerriero, who up to 3 years ago had never been interested in satellites, launching pads, rockets or shuttles. Obviously the CNR thinks that competence has little worth and may even present an obstacle. At the CNR, competence is bestowed by investiture on a given day. It still would not matter much if the electees did not also have the right to appoint experts in the various fields. The CNR directors' main problem thus becomes only that of dividing up state funds adequately among the various political and business pressure groups.

The president of the CNR, Prof Quagliariello finds himself administering this immoral philosophy dedicated to agreement between the government parties and the PCI. It is not for nothing and is quite appropriate that the CNR's headquarters in Rome is at the Piazzale delle Scienze [Science Square], which has been called for some time the Piazzale Aldo Moro. But this is irrelevant. It is a negative philosophy that benefits individuals rather than the truth, the immediate present rather than the future, politics rather than science, and the manager rather than the researcher.

It is a rhetorical question to ask what the state's intentions are, and where is the farseeing capacity of an institution that by its very nature looks to the future. The communists recently introduced a bill in parliament to reform the CNR. Despite

the strength they have acquired inside the CNR and among strong fringe groups outside of parliament, the communists are not happy with the electoral system and the serious damage it has done; they want a politically appointed Administrative Council. Thus the PCI seems to want to copy the Fascist system of appointees to elective posts but keep the Christian Democratic philosophy of a power system based on political parties amid the weakness or complicity of the government. In short, the PCI wants fragmentation.

In the CNR today, many recognize that management was more constructive in the Fascist era because, Marconi aside, scientific authority was privileged and held the many keys to the organization. Now, with many open doors, anybody can do research as long as no one questions his attitudinal capacities. We challenge the CNR to prove us wrong on this point as on the others.

It should be in everybody's interest to restore the CNR to its mission of research, but that is impossible under the present circumstances. Men of value who are not political ruffians are being kept away from Italian research by the government. Ippolito, who had clear ideas and administrative capacity in his time was put aside and is now on the PCI's waiting list. There are other and even more authoritative people than Ippolito in Italy, but Prof Quagliariello and his ineffable Administrative Council are ignoring the fact.

The truth is that the CNR has become a kind of public bank without having the structure of one. As time goes by, it takes on more the function of a conveyor belt for the economic interests of various research societies (often fictitious) and lobbies. Maybe Mr Tesini, the new Science Research minister, will not be able to change the CNR's course; he will not unless he has the stuff of a clear-sighted administrator and puts his own responsibilities above party mafias. Tesini can show, if he wishes, that he is the minister of Research, not Quagliariello or Guerriero, as has happened in recent years.

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OFFICIAL SKETCHES GOALS OF RELIGIOUS EDUCATION

Istanbul MILLIYET in Turkish 30 Aug 81 p 2

[Article by M. Necati Ozturk, Director General for Religious Education, Ministry of National Education]

[Text] When work began after 12 September 1980 to replan along Ataturkist lines, religious education in Turkey was reviewed on all levels of the Ministry of National Education. This work progressed with the Ministry's receipt of high-level proposals. In this work the current status of religious education was assessed against its historical development and a new plan for implementation resulted.

As is known, top-level officials have at various times disclosed the outline of this new plan. It has been stated in these announcements that religious science classes would be conducted under the supervision and control of the state and that there are plans to conduct such education in an orderly and controlled manner in schools at a level that meets the needs of family and community.

It has been determined that in this work particular stress be given to detailed curricula, textbooks, on-the-job teacher training, and a number of related activities. Equal stress has been given the aims and principles of religious training necessary for our children in elementary and intermediate education.

Therefore, it is regarded as useful to make public certain assessments regarding the secular, libertarian principles of compulsory religious education.

One must say first and foremost that compulsory religious science courses, which are to be conducted with purpose, methodology, detailed curricula and textbooks as well as in accordance with mandatory provisions of the law, will encompass elements and information that observe the secularist principle and that will not quash freedom of thought.

Ataturkist secularism does not mix religion with the affairs of state and, particularly, policy, nor does it criticize anyone for his beliefs. It does not prevent worship or force worship upon anyone. It must be made perfectly clear that compulsory courses in religion are designed to fill the void in our children and impart knowledge by means of morality and faith with a scientific bent. These courses are not predicated on forced worship.

As stated in the Law On Unified Instruction, there is no objection to compulsory religious education as far as it ensures a conscious fusion of emotion and intellect.

Ataturk criticizes those "who even today attempt to use religion as a pawn to assure a myriad of political and personal ends by exploiting the ignorance and fanaticism of the people." Making religion a political tool and exploiting religious feelings for political advantage runs counter to secularism. This is alien to the purpose of religious education.

This absolutely cannot be condoned. In fact, another aim of this education is to openly assess the principle of secularism and correctly teach this distinction to the citizen and the new generation being brought up. In attaining and assessing this general aim, it is deemed possible to take freedom of thought as a basis and get true results in return.

Furthermore, the great Ataturk, founder of our Republic, hailed science as the truest guide in life. There is no need to fear being scientific. On the scientific level it is impossible to think that religious education grounded in free thought contravenes secularism. The envisioned religious training will have nothing at all to do with compelling students to believe and worship or forcing their attendance at mosque, nor will it deal in attitudes, behavior, and practices that tread upon secularism.

Meddling particularly in the freedom of thought and conscience is out of the question. These classes will not tread upon secularism nor extend to criticizing people for their religious faith and beliefs, force religious convictions upon them, or forbid religious practices. This principle will during the training and education be most carefully and meticulously guarded through strict oversight.

From a sociological viewpoint, the school is an extension of society. The school, in one respect, reflects society's characteristics. A school devoid of the mores and values of its society cannot be considered an educational institution. It is thus impossible to ignore the fact of religion present in the mores and values of Turkish society. Were this reality not taken into consideration, it would spontaneously generate injurious acts under the name of uncontrolled "religious education," which is illegal in our present society and in disharmony with the basic principles of our state. Moreover, this situation would transform itself into a universal exploitation of faith, sporting, in secret, destructive activities to exploit religion that would result in untold damage and disrupt--for various ends--the security, unity and solidarity of the nation.

It is the desire of our citizenry and the duty of the state to bring such damaging activity under firm control nationwide. Thus, the state must not leave religious training and education on its own, and the state--through supervision--must then bring religious training and education under its own control in conformity with Ataturkist views and principles. The state in this way will have scientifically met the public's need through compulsory religion courses in school--an extension of society itself.

In point of fact, religion--a matter of science as much as faith and conduct--has been of intrinsic interest to people and society in every age and period.

So it is that for this information to be sufficiently useful to school-age youth, it must first of all be examined within the training and educational duties of the state.

As in all democratic countries, the religious instruction to be given in our country's schools is grounded in three general aims:

- 1) The individual aim: Religious sentiment has its place in the developmental stages of a child. It is vital that this feeling be honed in a sound and balanced way.
- 2) The historical and cultural aim: In the history of education, dimensions of feeling from the scientific standpoint are just as important as events. It is impossible to completely abstract a society's history, literature, and artistic endeavors from its belief system. Therefore, compulsory religious education for the new generation must aid in a self-identification with our history, literature, art--in short, our national culture--through scientific and emotional modes of appreciation. It is inconceivable that any educational system could be designed to train generations that do not identify with their country's history and culture and that do not protect them.
- 3) The social aim: From a socio-anthropological standpoint, the religious factor plays its part in inter-personal and inter-group relations. It is necessary from this perspective to take into account the influence of religious education on the establishment of sound social relationships.

It is worth touching separately on the compatability of religious science courses and the secularist principle as evidenced in our past constitutions and at various times in the history of Republican education. Compulsory religious education was conducted in our schools between 1924 and 1927, and Article 70 of the 1924 Constitution endorsed as unalterable the principle of freedom of thought and conscience, which became a basic provision of subsequent constitutions.

The principle of secularism was put into the Constitution in 1937. Even though secularism--which has figured in every constitution to date and is an unaltered and unalterable principle of present government--was in force and despite the abrogation of religious education in the 1930's, it returned to school curricula in 1948-49. As evidenced by these examples, secularism and compulsory religious education have been compatible. There has been no contradiction in word or deed between religious education and freedom of thought and conscience, and no absolute bond between them has been envisioned. The steadfast principles at root in the present mentality of government are secularism and freedom of thought and conscience. These are inalienable. The compulsory teaching of religion in our schools is valid only so long as it serves these basic principles and a clear differentiation can be maintained.

It is also worth touching on another point. The religious education currently in demand has its teachers, pupils, detailed curriculum, and a unique system of operation in our schools. Despite its dependency on demand and problems with curriculum and textbooks, great interest is being shown religious education in our schools. It is clear from survey research in Ankara as of the end of the

1980-81 school year that 94 percent of second-stage fundamental education students took religious science courses while 70 percent of high school students enrolled in these classes.

Given this, common lessons in religious science for functional education and intermediate schools would be compatible with public conscience without treading upon secularism. As the great Ataturk said, "Every person needs a place to learn about his religion, beliefs, and faith. School is just that place." What is being planned today is no different.

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